

SEATTLE-FIRST NATIONAL BANK

RECORDATION NO. **11547** Filed 1425
FEB 29 1980 - 10 30 AM

HEAD OFFICE REGION

MICHAEL V. SCALLON
Assistant Vice President

INTERSTATE COMMERCE COMMISSION

February 25, 1980

No. **0-060A020**

Date **FEB 29 1980**

Fee \$ **50.00**

ICC Washington, D. C.

Documents Recording Section
Secretary of the Interstate Commerce Commission
Washington D.C. 20423

Letter of Transmittal - Re: Railroad Car Security Interest

In compliance with the Interstate Commerce Commission recordation of documents requirements section 1116.4, the following is provided:

- (1). Three executed security agreements evidencing a purchase money security interest in two (2) 50 foot, 70 ton, "XM" Railroad Boxcars.

Serial numbers: NYSW 2015
NYSW 2043

- (2). Debtor:

John P. and Mary A. Sullivan
9535 Mercerwood Drive
Mercer Island, Washington 98040

Secured Party:

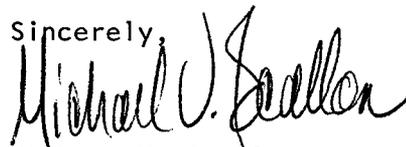
Seattle-First National Bank
Head Office Branch
1001 Fourth Avenue
Seattle, Washington 98154

- (3). A Cashier's Check in the amount of \$50.00 representing the filing fee.

Please record this encumbrance and return the original to the attention of the undersigned at the address of the secured party.

If any further information is needed, please advise.

Sincerely,



Michael V. Scallon
Assistant Vice President

gd
encl.

Interstate Commerce Commission
Washington, D.C. 20423

3/10/80

OFFICE OF THE SECRETARY

Michael V. Scallon
Assist. VP
Seattle- First Natl. Bank
Head Office Branch
1001 Fourth Avenue
Seattle, Washington 98154

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 2/29/80 at 10:30am , and assigned re-
recording number(s). 11547

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)



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

SECURITY AGREEMENT - EQUIPMENT, FARM EQUIPMENT, FIXTURES, OR CONSUMER GOODS

(May Be Used for Motor Vehicles and Aircraft in Above Categories)

RECORDATION NO. 11547 Filed 1425

FEB 29 1980 - 10 30 AM

THE UNDERSIGNED John P. Sullivan

Head Office

INTERSTATE COMMERCE COMMISSION

hereinafter called "Debtor") hereby grants to SEATTLE-FIRST NATIONAL BANK (hereinafter called "Secured Party"), its successors and assigns, 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:

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

Two (2) 50 feet, 70 ton "XM" Railroad Box Cars
Serial #NYSW 2015
Serial #NYSW 2043

All of said property is hereinafter referred to as the "collateral" and it is located in The 48 Contiguous United States County, Washington.

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.

This Security Agreement relates to a Commercial Loan granted 12/19/79 together with any subsequent renewal or extension.

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

1. Use of collateral - Residence of Debtor

Debtor agrees to comply with any governmental regulation affecting the use of the property and will not waste, injure or destroy the property, or use or permit the use of the collateral in any unlawful manner. Debtor represents and agrees that the primary use of the collateral is and will be as checked here:

- Personal, family or household purposes
Business use
Farming use

The Debtor (if a natural person) resides or (if a corporation) has its principal place of business, in the county set forth below, unless some other county is indicated here:

County, Washington.

2. Fixtures

If any of the collateral is to be or has been attached to real estate, the description of the real estate is as follows:

County, Washington

3. Ownership and Liens

Debtor (if a natural person) is of legal age. (if a corporation) is duly organized and existing under the laws of the state of its incorporation; owns the collateral and it is free and clear of all security interests and encumbrances of every nature (except as noted on the reverse). Debtor will not create or permit the existence of any lien or security interest other than that hereby created on the collateral without the written consent of Secured Party. Any certificate of title now or hereafter existing on any of the collateral will be delivered to Secured Party and will recite the interest of Secured Party.

4. Taxes

Debtor will pay before delinquency all taxes or other governmental charges levied against the collateral and will pay any tax which may be levied on any obligation secured hereby.

5. Repairs and Inspection.

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

6. Insurance.

Debtor will keep the collateral 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

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

When executed by more than one party, the obligations hereunder shall be several as well as joint.

Signed this 25th day of February, 1980

9535 Mercerwood Dr., Mercer Island, WA

Street King County, Washington

MAILING ADDRESS OF DEBTOR (Print)

Handwritten signatures of John P. Sullivan and Mary A. Sullivan

(SIGNATURE OF DEBTOR)

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 collateral 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 collateral. 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.

7. Removal of Sale

Without the prior written consent of Secured Party, Debtor will not sell or lease the collateral or any interest therein. The Secured Party may assign or transfer the whole or any part of the indebtedness, obligation or liability of the Debtor, and may transfer therewith as collateral security the whole or any part of the collateral herein mentioned, and all obligations, rights, powers and privileges herein provided shall inure to the benefit of the assignee and shall bind the heirs, executors, administrators, successors or assigns of the parties hereto, as the case may be.

8. Expenses Incurred by Secured Party

Secured Party is not required to, but may at its option, pay any tax, assessment, insurance premium, expense, repair or other charges payable by Debtor, and any titling or recording fees, and any amount so paid, with interest thereon at the maximum rate permitted by law from date of payment until repaid shall be secured hereby and shall be repayable by Debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

9. 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 or 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.

10. 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 collateral should be seized or levied upon under any legal or governmental process against Debtor or against the collateral; 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) 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 provided herein.

11. 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 collateral on demand; and
- (b) Secured Party is authorized to enter any premises where the collateral is situated and take possession of said collateral without notice or demand and without legal proceedings; and
- (c) At the request of Secured Party, Debtor will assemble the collateral 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 ten (10) 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 collateral; and
- (e) Debtor agrees that any notice or other communication by Secured Party to Debtor shall be sent to the mailing 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 collateral. 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 collateral, Debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

12. This Security Agreement and the indebtedness hereby secured are subject to the laws of the State of Washington and are to be construed in accordance therewith.

13. Supplement to Security Agreement - Personal Property

- (a). "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 Commission Act, at Debtor's sole cost and expense.

14. See Attachment for Acknowledgements and Certification.

ATTACHMENT TO SECURITY AGREEMENT DATED

INDIVIDUAL FORM OF ACKNOWLEDGEMENT

STATE OF WASHINGTON

County of King, ss:

On this 25th day of January 1980, before me
personally appeared John P. Sullivan and
Mary A. Sullivan, to me known to be the
persons described in and who executed the foregoing instrument and they
acknowledged that they executed the same as ^{their} ~~his~~ free act and deed.

(SEAL)

Margaret W. Stormo
Notary Public

My commission expires September 24, 1983.
