

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON

20006-2973

August 13, 1984

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

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

TELEX  
440367 A AND A  
440348 CDA A UI

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

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D. C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

REGISTRATION NO. 14399  
AUG 13 1984 - 2 05 PM  
INTERSTATE COMMERCE COMMISSION  
4-226A066

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

No. ....  
Date AUG 13 1984  
Fee \$ 10.00  
ICC Washington, D. C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are four fully executed copies of a Security Agreement and Assignment dated as of August 1, 1983, a "primary document" as that term is defined in 49 C.F.R. §1177.1(a).

A description of the railroad equipment covered by the enclosed document is one hundred (100) TOFC/COFC Railroad Flatcars to be marked and numbered SP 900480 through SP 900579, both inclusive.

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

Secured Party: Schroder Leasing Corporation  
One State Street  
New York, New York 10004

Debtor: James-Furman and Company  
503 High Street  
Oregon City, Oregon 97045

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

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

Aug 13 1 56 PM '84  
MOTOR OPERATING UNIT  
ICC OFFICE OF THE SECRETARY

*Charles T. Kappler*

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
August 13, 1984  
Page Two

A short summary of the enclosed primary document to be included in the Commission Index is:

Security Agreement and Assignment dated as of August 1, 1983 between Schroder Leasing Corporation, Secured Party, and James-Furman and Company, Debtor, covering one hundred (100) TOFC/COFC Railroad Flatcars bearing SP marks and numbers.

Very truly yours,

  
Charles T. Kappler

Interstate Commerce Commission  
Washington, D.C. 20423

8/13/84

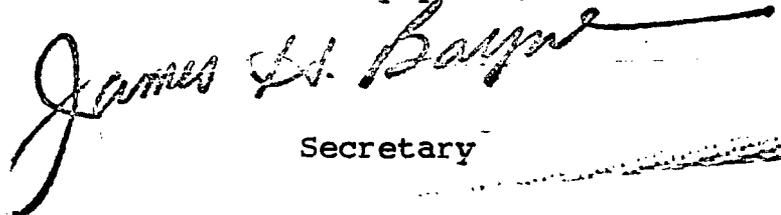
OFFICE OF THE SECRETARY

Charles T. Kappler  
Alvord & Alvord  
918 16th St. N.W.  
Washington, D.C. 20006-2973

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 8/13/84 at 2:05pm and assigned re-  
recording number(s). 14399

Sincerely yours,

  
Secretary

Enclosure(s)

AUG 13 1984 2 05 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT AND ASSIGNMENT

JAMES-FURMAN AND COMPANY, an Oregon general partnership, having its principal place of business at 503 High Street, Oregon City, Oregon 97045 (hereinafter called the "Debtor"), and SCHRODER LEASING CORPORATION, a New York corporation, having its principal place of business at One State Street, New York, New York 10004 (hereinafter called the "Secured Party"), agree as follows:

1. Defined Terms. (a) Terms used herein which are defined in the Agreement Concerning Wells Fargo Railcars dated as of August 1, 1983 by and between Debtor and Secured Party (the "Agreement") shall have the same meanings herein as are therein ascribed to them.

(b) The term "Collateral" shall mean:

(i) The Wells Fargo Cars, whether now owned or hereafter acquired by Debtor, together with all replacements, substitutions, attachments, modifications, additions, improvements, upgrades and accessions, whether now owned or hereafter acquired by Debtor, of, to or upon such Cars (collectively, the "Equipment");

(ii) That Railroad Equipment Lease dated September 1, 1982, as supplemented June 3, 1983 and excluding all subsequent supplements or amendments thereto (the "Lease") and all rents, issues, profits, revenues, income and other moneys due and to become due thereunder to Debtor, including, without limiting the generality of the foregoing, all rights and claims of Debtor, now or hereafter existing, (A) under any insurance, indemnities and warranties provided for or arising out of or in connection with the Lease, or the Equipment, (B) for any damages arising out of or for breach or default under or in connection with the Lease, (C) to all amounts from time to time paid or payable under or in connection with the Lease, and (D) to terminate the Lease, to exercise or enforce any and all covenants, remedies, powers and privileges thereunder; and including any and all amendments, supplements, extensions and renewals of any of the Lease;

(iii) All Future Agreements (as defined below) and all rents, issues, profits, revenues, income and other moneys due or to become due thereunder to Debtor;

(iv) All chattel paper, contracts, instruments, and other documents evidencing the Lease or any Future Agreement or any moneys due or to become due thereunder or related thereto;

(v) All accounts, contract rights and general intangibles related to any or all of the foregoing, as such terms are used in the Uniform Commercial Code of any applicable jurisdiction; and

(vi) To the extent not otherwise included in the foregoing, all proceeds of any or all of the foregoing, as such term is used in the Uniform Commercial Code of any applicable jurisdiction, and in any event, including, without limiting the generality of the foregoing, (A) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Debtor from time to time with respect to any of the Collateral, (B) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency or any other person (whether or not acting under color of governmental authority) and (C) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

(c) The term "Future Agreements" shall mean all agreements, contracts, instruments, leases, chattel paper and other understandings, hereafter entered into by and on behalf of Debtor with respect to the management, assignment, dedication, lease or other utilization of any of the Equipment, together with all amendments, modifications or supplements of any of the foregoing except the Lease as defined above.

(d) The term "Secured Obligations" (as used in Section 2, below) shall mean all amounts payable by Debtor pursuant to the Agreement.

2. Creation of Security Interest and Power of Attorney. (a) Debtor hereby grants to Secured Party a continuing mortgage and security interest in the Collateral,

and assigns to Secured Party all of Debtor's right, title and interest in and to the Collateral, to secure prompt payment and performance of the Secured Obligations.

(b) Debtor hereby appoints Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Lender's discretion, if an amount is owed by Debtor to Secured Party pursuant to the Agreement, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Security Agreement.

3. Covenants of Debtor. Without the prior written consent of the Secured Party, Debtor shall not sell, secrete, mortgage, assign, transfer, lease, sublet, lend, part with possession of or encumber the Collateral or any portion thereof, or permit liens to be effective thereon, or permit or attempt to do any of the foregoing acts otherwise than pursuant to the Lease and this Security Agreement, and a security agreement dated August 1, 1983 between Debtor and Wells Fargo Leasing Corporation.

4. Default. Debtor shall be in default under this agreement when Debtor has made a misstatement in connection with or has failed to pay or perform any of his obligations, agreements or affirmations under this Security Agreement, or under any agreement with any person relating to the care and maintenance of the Equipment.

5. Secured Party's Rights and Remedies. (a) Secured Party shall have all the rights and remedies provided in the Uniform Commercial Code in force in the State of New York, and

(b) in addition to, or in conjunction with, those rights and remedies:

(i) Secured Party may remedy in any reasonable manner or waive any default of Debtor without waiving the default remedied or any other prior or subsequent default;

(ii) Notice sent to the Debtor at his address as it appears herein by overnight delivery service ten days before any sale of the Collateral shall constitute reasonable notice to the Debtor;

(iii) Upon a default hereunder, the Secured Party's reasonable attorney's fees and the legal and other

expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral shall be chargeable to the Debtor and payable out of the proceeds of the sale or other disposition of the Collateral.

6. Additional Representations, Warranties and Covenants. Debtor represents, warrants and covenants to Secured Party that:

(a) No financing statement in favor of a person other than Secured Party covering the Collateral or its proceeds is on file in any public office and that there is no lien on the Collateral except liens held by the Secured Party, except for financing statements and liens relating to the security agreement dated August 1, 1983 between Debtor and Wells Fargo Leasing Corporation; and

(b) Debtor will not assert any claims, defenses, setoffs or counterclaims against any assignee of the Secured Party except those expressly stated herein.

7. Miscellaneous. (a) This agreement contains the entire understanding between the parties concerning the subject matter hereof, and no representations, inducements, promises or agreements, oral or otherwise, between the parties with reference thereto and none embodied herein shall be of any force or effect.

(b) None of the provisions of this agreement may be changed, modified or waived except by a writing signed by the Debtor and the Secured Party.

(c) If any covenant or other provisions of this agreement shall be invalid, illegal or incapable of enforcement by reason of any rule or law or public policy, all other covenants and provisions hereof shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision.

(d) Terms used in this agreement which are defined in the Uniform Commercial Code in force in the State of New York at the date of the execution of this agreement shall have the same meaning as set forth herein.

(e) This agreement shall be governed by and construed in accordance with the law of the State of New York.

(f) The Secured Party may, at any time, assign and delegate all of its rights and duties hereunder, without notice to or consent of Debtor.

(g) The Debtor may not assign or delegate any of its rights or duties hereunder.

(h) This agreement shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

(i) The Secured Party is hereby authorized to file a financing statement under the Uniform Commercial Code to perfect its security interest in the Collateral without execution by the Debtor and at Debtor's expense.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of August 1, 1983.

JAMES-FURMAN AND COMPANY

By Wm A Au  
Title: PARTNER

SCHRODER LEASING CORPORATION

By ATM DeBa  
Title: President

State of OREGON

County of CLATSOP ss:

On this 10<sup>th</sup> day of JULY, 1984 before me personally appeared, WILLIAM H. FURMAN, to me personally known, who being by me duly sworn, says that he is PARTNER of JAMES-FURMAN AND COMPANY, that said instrument was signed and sealed on behalf of said partnership, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

[SEAL]

[Signature]

Signature of notary public

My Commission expires 6-8-85

State of NEW YORK

County of NEW YORK ss:

On this 1<sup>st</sup> day of AUGUST, 1984 before me personally appeared, JAMES J. MAC ISAAC, to me personally known, who being by me duly sworn, says that he is the PRESIDENT of SCHRODER LEASING CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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 corporation.

[SEAL]

[Signature]

Signature of notary public

My Commission expires \_\_\_\_\_

WALTER N. REINER  
Notary Public, State of New York  
No. 30-3243835 Qual. in Nassau County  
Filed in New York County  
Commission Expires March 30, 1983