



THE BANK OF CALIFORNIA

RECORDATION NO. 13314 Filed 1425

2 NOV 13 1981 -11 20 AM  
INTERSTATE COMMERCE COMMISSION

1-317A072

No. NOV 13 1981  
Date...  
Fee \$ 200.00  
Due 50.00  
ICC Washington, D. C.  
*returning checks*

November 3, 1981

NOV 13 11 22 AM '81  
FEDERAL RESERVE BANK OF WASHINGTON

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

Gentlemen:

Enclosed for recordation are one original and five certified copies of the Security Agreement dated Oct. 20, 1980, for J. Lawrence and Norma W. Smith, residing at 12009 Gravelly Lk. Dr. S.W., Tacoma, WA 98499.

The equipment covered is three 100 ton triple covered Hopper Railroad Cars, Serial Numbers PLMX 12402, PLMX 12403, PLMX 12404.

Upon recordation, please return to us the necessary information to complete our files. If you have any questions, please contact us.

Very truly yours,

*Marilyn Hancher*  
Marilyn Hancher  
Loan Officer

MH:rd

Enclosures

SECURITY AGREEMENT - PERSONAL PROPERTY

13314

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Smith

I (borrower), J. Lawrence Smith M.D. & Norma W. Smith hereby grant The Bank of California (Bank), a security interest in the following described property (collateral): Three 100 Ton Triple Covered Hopper 4,750 Cu. Ft. Railroad Cars with Center pockets, Gravity discharge, and trough Hatch Roof Serial # PLMX 12402, PLMX 12403, & PLMX 12404

Assignment of Life Insurance Policy # 47420 Standard Security Life Insurance Company of New York together with cash and non-cash proceeds of the collateral, all additions, accessions, added, replaced and/or substituted parts of collateral, tools, spare parts, accessories, supplies and improvements thereto now owned and hereafter acquired, and all proceeds of insurance policies and other property described in or to which borrower is or becomes entitled to receive on account of collateral.

2. I further agree that the above described personal property shall be and is security for (1) payment of any loan made at the same time as this Agreement, (2) payment of all of my existing and future debts to the Bank, (3) payment of all of my notes evidencing debts, and, (4) performance of all of my obligations under this Agreement and any other loan agreements between me and the Bank.

3. I further warrant, covenant, and agree with the Bank that:

A. Warranties: I am the owner of the personal property free and clear of any lien, encumbrance or security interest except as stated on my loan application, and (2) I will defend the personal property against any claim or demand adverse to the security interest of the Bank.

B. Payment: I will pay when due all debts secured by this Agreement, together with interest, and all rent, taxes, levies, assessments or other claims which are or may become liens against the above described personal property.

C. Insurance: I will, at all times, keep the above described personal property insured for its full replacement value with a company acceptable to Bank. The policy or policies of insurance shall be delivered to the Bank and shall contain an endorsement that Bank shall be the loss payee. The insurance shall also require a ten day notice of cancellation to Bank prior to any cancellation by the insurance company. Bank shall have no duty to purchase, at borrower's expense or otherwise, insurance to satisfy borrower's obligation to Bank.

The failure of borrower to have at all times in the hands of Bank the insurance coverage in force shall constitute a default under this Agreement and shall immediately cause the entire debt secured by the above described personal property to become immediately due and payable without notice unless the Bank, after knowledge of the breach, waives such breach in writing.

D. Care of Property: I will maintain the personal property, the subject of this Agreement, in a good and careful manner, and will properly maintain it to prevent deterioration or loss of value. I further agree not to further encumber, sell, remove, or otherwise

dispose of this personal property without first having obtained the written consent of Bank.

E. Inspection: Bank shall have the right to inspect the personal property at any time, and I agree to make any and all personal property in which Bank has a security interest available to Bank for inspection upon request.

4. Events of Default are:

A. Borrower's failure to pay or perform this or any agreement with Bank or breach of any warranty herein.

B. Any change in borrower's financial condition which in Bank's judgement impairs the prospect of borrower's payment or performance.

C. Any actual or reasonably anticipated deterioration of the collateral or in the market price thereof which causes it in Bank's judgement to become unsatisfactory as security.

D. Any levy or seizure against borrower or any of the collateral.

E. Any change in possession of security.

F. Any change in title or ownership of security.

G. Death, termination of business, assignment for creditors, insolvency, appointment of receiver, or the filing of any petition under bankruptcy or debtor's relief laws of, by or against borrower or any guarantor of the debt.

5. Rights on Default: If I default in the performance of this Agreement, the entire debt hereby secured shall become immediately due and payable and Bank may proceed to enforce its security interest by any means provided herein or under the Uniform Commercial Code or otherwise allowed by law. Upon demand by Bank, I agree to assemble the security covered by this Agreement and make it available to Bank at such location as Bank may designate. All reasonable expenses, including legal expenses and attorneys' fees incurred by Bank in the exercise of its right to take possession and dispose of the collateral must be paid in order to redeem the property, the subject of this Security Agreement, or in the event of sale, shall be paid from the proceeds thereof.

6. See reverse side for amendments, supplements, acknowledgements and certification.

All rights hereunder shall inure to the benefit of Bank's successors and assigns, and all obligations of the borrower shall bind the borrower's heirs, executors, administrators, successors and assigns. If there be more than one borrower, their obligation hereunder shall be joint and several.

Signature and address section for J. Lawrence Smith M.D. and Norma W. Smith, including dates and address: 12009 Gravelly Lk. Dr. S.W., Tacoma, Wa. 98499

THIRD PARTY SECURITY AGREEMENT

The undersigned grants to Bank a security interest in all of the collateral described above on the terms above stated to secure payment to Bank of the debt of the above named borrower. The term "Borrower" as used above means the undersigned in any provision dealing with the collateral, and means borrower in any provision dealing with the debt.

Signature lines for Date, Borrower, and Address.

7. Supplement to Security Agreement - Personal Property

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: BANK OF CALIFORNIA, 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 ACKNOWLEDGMENT

STATE OF Washington

County of Pierce, ss:

On this 20<sup>th</sup> day of October 19 80, before me

personally appeared J. Lawrence Smith & Norma W. Smith, 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.



(SEAL)

Marilyn M. Hancock  
Title of officer

Notary Public in and for the State of Washington, Residing at Tacoma

My commission expires 1/17/82

STATE OF WASHINGTON, ss:

I, Thomas S. Tabor, a Notary Public in and for the

State of Washington, hereby certify that I have examined the original Security

Agreement dated 10-20-80, and executed by J. Lawrence Smith

and Norma W. Smith, and find this copy to be a true copy of the original

Security Agreement in all respects.

Dated: Oct 10, 1980

Thomas S. Tabor  
Notary Public

My Commission Expires: Feb. 2, 1981