[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)

THE UNDERSIGNED [illegible]

(hereinafter called "Debtor") hereby grants to [illegible] (hereinafter called "Secured Party"), a security interest in the following described property, together with all increases thereof, all [illegible] equipment, tools, parts, accessories, supplies and improvements therefor, together with all proceeds of all said property, to-wit:

[Here insert description of property, including identifying data such as year, make, model, serial and identifying numbering]

[illegible]

County, Washington.

[illegible]

1. Use of Property - Residence of Debtor.

[illegible]

2. Fixtures.

[illegible]

County, Washington.

3. Ownership and Liens.

[illegible]

4. Taxes.

[illegible] before delinquency all taxes or other governmental charges levied against the property and will pay any tax [illegible] secured hereby.

5. Repairs and Inspection.

[illegible] the property in good repair. Secured Party [illegible] the property at reasonable times and intervals and [illegible] the premises upon which the property is located.

6. Insurance.

Debtor will keep the property continuously insured by an insurer acceptable to Secured Party against fire, theft and other [illegible] required at any time by Secured Party, in an amount [illegible] 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.

Date [illegible], 19

[illegible]

County, Washington

WBA UCC 1A

hereby, with such [illegible] 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.

7. 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 [illegible] the property or any interest therein.

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 [illegible] or recording fees, and any amount so paid, with [illegible] at the maximum rate permitted by [illegible] shall be secured hereby and shall be [illegible] by Debtor on demand. The rights granted by this paragraph [illegible] other rights of Secured Party [illegible] of the expenses hereof by Debtor.

9. Waivers.

This Security Agreement [illegible] not be qualified or [illegible] by course of dealing. No waiver or modification [illegible] Secured Party of any of the terms or conditions hereof shall be effective unless in writing signed by Secured Party. [illegible] nor indulgence by Secured Party as to any required performance by Debtor shall constitute [illegible] to any subsequent required performance or other obligation of Debtor hereunder.

10. Default.

Time is of the essence [illegible] Security Agreement, and [illegible] of the following events, hereinafter called "Events of Default," [illegible]:

(a) Any failure to pay [illegible] for the full amount of any payment of principal, interest, taxes, insurance premiums or other charges [illegible] 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.

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 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 five (5) 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 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 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.