

Deferment  
of payment.

(5) Deferment of Payment: If an insurer provides for the payment of a cash surrender value, it shall reserve the right to defer the payment of such value for a period of six months after demand therefor with surrender of the contract.

Lump sum  
in lieu.

(6) Lump Sum in Lieu: Notwithstanding the requirements of this section, any deferred annuity contract may provide that if the annuity allowed under any paid-up nonforfeiture benefit would be less than one hundred twenty dollars annually, the insurer may at its option grant a cash surrender value in lieu of such paid-up nonforfeiture benefit of such amount as may be required by paragraph three of this section.

Operative  
date.

(7) Operative Date: If no election is made by an insurer for an operative date prior to July first, nineteen hundred forty-eight, such date shall be the operative date for this section.

[Am. Rem. Supp. 1947, § 45.23.36.]

[R.C.W. 48.23.200 is Rem. Supp. 1947, § 45.23.20.]

Passed the Senate February 22, 1951.

Passed the House March 3, 1951.

Approved by the Governor March 17, 1951.

---

## CHAPTER 191.

[ S. B. 140. ]

### CONDITIONAL SALE OR LEASE OF RAILROAD EQUIPMENT.

AN ACT relating to certain contracts for the conditional sale or lease of railroad equipment and rolling stock; amending section 81.36.140, R.C.W.

*Be it enacted by the Legislature of the State of Washington:*

Amendment.

SECTION 1. Section 81.36.140, R.C.W., as derived from section 1, chapter 169, Laws of 1949, is amended to read as follows:

In any contract of, or for the sale of railroad equipment or rolling stock, it shall be lawful to agree that the title to the property sold, or contracted to be sold, although deliverable immediately, or at any future time, shall not vest in the purchaser until the purchase price shall be fully paid, or that the seller shall retain a lien thereon for the unpaid purchase money; if any such contract of or for the sale of railroad equipment or rolling stock, or any such contract of or for the leasing of such property, provides that the vendor, or lessor, as the case may be, in event of default by the purchaser or lessee may, in addition to and concurrently with the exercise of any and all other remedies provided in such contract, also have the right to sell such rolling stock or equipment at private or public sale and to recover from the purchaser or lessee any deficit remaining after application of the amount realized from such sale and from the exercise of such other remedies, the inclusion of such provision shall not operate to vest title in the purchaser or lessee or constitute such contract a chattel mortgage; and in any contract of, or for the leasing of such property, it shall be lawful to stipulate for a conditional sale thereof at the termination of the lease, and that the rentals received may, as paid, be applied and treated as purchase money, and that the title to the property shall not vest in the lessee or vendee until the purchase price is paid in full, notwithstanding delivery to and possession by the lessee or vendee; and the assignment of the vendor's or lessor's interest in any such contract shall give the assignee the right to all the vendor's or lessor's interest under such contract, and said assignee shall have such interest in the property covered thereby as the assignor had: *Provided*, That no such contract or assignment shall be valid as against any subsequent judgment creditor,

Contracts of sale of railroad equipment, certain provisions authorized.

Provision permitting sale on default by purchaser or lessee; effect of.

Contract for lease, certain provisions authorized.

Assignment of vendor's or lessor's interest; effect of.

Not valid as against certain persons unless recorded.

or any subsequent *bona fide* purchaser, for value and without notice, unless,—

(1) It is evidenced by an instrument duly acknowledged before some person authorized to take acknowledgments of deeds;

(2) It is filed for record in the office of the county auditor of the county in which, at the time of the execution thereof, is situated the principal office of the vendee or lessee within this state;

Markings on engines or cars.

(3) Each locomotive engine or car so sold, or contracted to be sold, or leased, as aforesaid, shall have the name of the vendor or lessor plainly marked on each side thereof, followed by the word "owner" or "lessor," as the case may be.

[Am. Rem. Supp. 1949, § 10540.]

Passed the Senate February 9, 1951.

Passed the House March 4, 1951.

Approved by the Governor March 17, 1951.

---

## CHAPTER 192.

[ S. B. 143. ]

### COUNTY ROAD IMPROVEMENT DISTRICTS.

AN ACT authorizing the formation of county road improvement districts in Class A counties and counties of the first class, for the purpose of the improvement of existing county roads other than primary county roads; providing certain requirements and conditions for the formation of said districts; authorizing the levying, collection and payment of special assessments against lands specially benefited by such improvements; providing for the issuance and sale or disposal of county road improvement district warrants and bonds; authorizing the counties to establish guarantee funds for said bonds; and prescribing the powers and duties of the board of county commissioners with respect to all thereof.

*Be it enacted by the Legislature of the State of Washington:*

Class A and first class counties.

SECTION 1. Class A counties and counties of the first class shall have the power to create county road