SECURITY AGREEMENT — EQUIPMENT

(Except Aircraft)

RECORDATION NO. 8267 Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

As security for the payment by Herbert M. Meyer ("Borrower") to SECURITY PACIFIC NATIONAL BANK ("BANK") of (A) Promissory note executed by BORROWER in favor of Bank, dated July 15, 1971 for Sixteen thousand four hundred and no/100** DOLLARS ($ 16,400.00), together with interest thereon, and renewals or extensions thereof,

(B) All amounts advanced or expended by Bank or its assigns under the terms hereof, (C) Any and all obligations of any Borrower hereunder to Bank, direct, indirect or contingent, joint or several, whether or not otherwise secured, and whether now existing or hereafter incurred, and (D) Any and all amounts advanced or expended by Bank for the maintenance or preservation of the Collateral, Borrower hereby grants to Bank a security interest in all of the furniture, furnishings, fixtures, machinery, vehicles and equipment of every kind and nature wherever located now or hereafter owned by Borrower, or in which Borrower may have or may hereafter acquire any interest, (herein called "Collateral"), including all such Collateral now or hereafter located at, upon or about, or located in or attached to the buildings on, real property known as (Legal Description or Street Address) _____

in the City of _____, County of _____
State of California.

Without in anywise limiting the generality of the foregoing description of the Collateral, it shall specifically include the following, together with all additions and accessions thereto and replacements and substitutes therefor:
One (1) 20,000 gallon capacity class DOT 111A100W-1, coiled tankcar marked RTLX and numbered 2182, manufactured by General American Transportation Corporation, at Sharon, Pennsylvania, in June 1971

This agreement is subject to the terms and conditions on the reverse side hereof.

Dated: July ~~June~~ 15, 19 71.

Herbert M. Meyer

Herbert M. Meyer

John B. Meyer

John B. Meyer

210 Yerba Buena, Los Altos 94022
(Address)

2052
CL 1051 12-68* 50 10Y

TERMS AND CONDITIONS

1. Borrower hereby warrants that he is the sole owner and in possession of all of said specifically described Collateral except such items as are specifically stated above as not yet having been acquired by Borrower, and as to such property, if any, Borrower agrees, in order to effectuate the purposes of this agreement, forthwith to acquire and install in the above described premises each and every item thereof, or its equivalent in quantity and quality; that the Collateral is, or when acquired will be, free and clear of all liens, encumbrances and adverse claims, with the exception of the security interest herein created. Borrower agrees to execute and deliver to Bank at any time and from time to time such other security agreement or mortgages of chattels as Bank may request, covering the Collateral or property the ownership of which is contemplated hereunder. Borrower agrees, at his own expense, to appear in and defend any and all actions and proceedings affecting title to the Collateral or any part thereof, or affecting the security interest of Bank therein.

2. Borrower hereby agrees: To do all acts which may be necessary to maintain, preserve and protect the Collateral and to keep the Collateral in good condition and repair; not to cause or permit any waste or unusual or unreasonable depreciation thereof or any act for which the Collateral might be confiscated; to pay before delinquency all taxes, assessments and liens now or hereafter imposed upon the Collateral; not to sell, lease, encumber or dispose of all or any part of the Collateral; at any time upon demand of Bank, to exhibit to and allow inspection by Bank of the Collateral; not to remove or permit the removal of the Collateral, other than motor vehicles, from the premises where it is now located, nor of any motor vehicle from the State of California, nor to change the address where any motor vehicle is regularly garaged, without the prior written consent of Bank; to provide, maintain and deliver to Bank policies insuring the Collateral against loss or damage by such risks and in such amounts, forms and companies as Bank requires and with loss payable solely to Bank. If Bank takes possession of the collateral, the insurance policy or policies and any unearned or returned premium thereon shall at the option of Bank become the sole property of Bank, upon Bank crediting the amount of any unearned premium upon the obligations secured hereby, such policies being hereby pledged and assigned to Bank.

3. If Borrower fails to make any payment or do any act as herein required, then Bank, but without obligation so to do, and without notice to or demand upon Borrower, may make such payments and do such acts as Bank may deem necessary to protect its security interest in the Collateral, Bank being hereby authorized (without limiting the general nature of the authority hereinabove conferred) to take possession of the Collateral, to pay, purchase, contest, and compromise any encumbrance, charge or lien which in the judgment of Bank appears to be prior or superior to its security interest, and in exercising any such powers and authority to pay necessary expenses, employ counsel and pay reasonable fees therefor. Borrower hereby agrees to repay immediately, and without demand, all sums so expended by Bank, with interest from date of expenditure at the rate of ten per cent (10%) per annum.

4. Any officer of Bank is hereby irrevocably appointed the attorney in fact of Borrower, with full power of substitution, to sign any certificate of ownership, registration card, application therefor, affidavits or documents necessary to transfer title to any of the Collateral, to receive and receipt for all licenses, registration cards and certificates of ownership and to do all acts necessary or incident to the powers granted to Bank herein, as fully as Borrower might.

5. Borrower hereby assigns to Bank all rents, issues, income and profits of or from the Collateral. Any moneys received by Bank under the provisions hereof may at its option be applied upon any indebtedness secured hereby, or released.

6. It is specifically understood and agreed that Bank may from time to time and without notice release or otherwise deal with any person now or hereafter liable for the payment or performance of any obligation hereunder or secured hereby, and renew, extend or alter the time or terms of payment of any such obligation, and release, surrender, or substitute any Collateral or other security for any such obligation, or accept any type of further security therefor, without in anyway affecting the obligation hereunder of any Borrower, and consent is hereby given to delay or indulgence in enforcing payment or performance of any such obligation, and diligence, presentment, protest and demand and notice of every kind, as well as the right to require Bank to proceed against any person liable for the payment of any such obligation or to foreclose upon, sell, or otherwise realize upon or collect or apply any other property, real or personal, securing any such obligation, as a condition or prior to proceeding hereunder, are hereby waived.

7. Should: (1) Default be made in the payment of any obligation, or breach be made of any warranty, statement, promise, term or condition, contained herein or hereby secured; (2) Any statement or representation made for the purpose of obtaining credit hereunder prove false; or (3) Bank deem the Collateral inadequate or unsafe or in danger of misuse; then in any such event, Bank may, at its option and without demand first made and without notice to Borrower (if given, notice by ordinary mail to Borrower's address shown herein being sufficient), do any one or more of the following: (a) Declare all sums secured hereby immediately due and payable; (b) Immediately take possession of the Collateral wherever it may be found, using all necessary force so to do, or require Borrower to assemble the Collateral and make it available to Bank at a place designated by Bank which is reasonably convenient to Borrower and Bank, and Borrower waives all claims for damages due to or arising from or connected with any such taking; (c) Proceed in the foreclosure of Bank's security interest and sale of the Collateral in any manner permitted by law, or provided for herein; (d) Sell, lease or otherwise dispose of the Collateral at public or private sale, with or without having the Collateral at the place of sale, and upon terms and in such manner as Bank may determine, and Bank may purchase same at any such sale; (e) Retain the Collateral in full satisfaction of the obligations secured thereby; (f) Exercise any remedies of a secured party under the Uniform Commercial Code. Prior to any such disposition, Bank may, at its option, cause any of the Collateral to be repaired or reconditioned in such manner and to such extent as to Bank may seem advisable, and any sums expended therefor by Bank shall be repaid by Borrower and secured hereby: Bank shall have the right to enforce one or more remedies hereunder successively or concurrently, and any such action shall not estop or prevent Bank from pursuing any further remedy which it may have hereunder or by law. If a sufficient sum is not realized from any such disposition of Collateral to pay all obligations secured by this security agreement, Borrower hereby promises and agrees to pay Bank any deficiency.

8. In any action of foreclosure plaintiff shall be entitled to the appointment of a receiver, without notice, to take possession of all or any part of the Collateral and to exercise such powers as the Court shall confer upon him.

9. Should a receiver for the real property hereinbefore described be appointed under any deed of trust or other security held by Bank, Borrower consents and agrees that said receiver (with the consent of Bank) may, without compensation to Borrower, use the Collateral in operating said real property, and may take possession of the Collateral independent of the operation of said real property.

10. The right to plead the statute of limitations as a defense to any and all obligations secured hereby is hereby waived, to the full extent permissible by law.

11. Time and exactitude of each of the terms, obligations, covenants and conditions are hereby declared to be the essence hereof. No waiver by Bank of any breach or default shall be deemed a waiver of any breach or default thereafter occurring and the taking of any action by Bank shall not be deemed to be an election of that action but rather the rights and privileges and options granted to Bank under the terms hereof shall be deemed cumulative, the one with the other and not alternative. Any Borrower who is a married woman hereby expressly agrees that recourse may be had against her separate property for all obligations secured hereunder.

12. Should the Collateral be sold, with or without the consent of the Bank, then it is expressly agreed that the proceeds from said sale are hereby assigned to the Bank who shall receive the entire proceeds.

13. Borrower agrees to execute any additional documents deemed necessary by Bank to assure the perfection of the security interest created hereunder and to pay any fees or charges paid by Bank in connection with the perfection of or continue the perfection of the security interest created hereunder.