SECURITY AGREEMENT

No. 6256

RECORDATION NO. _____ Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

This AGREEMENT, made this 20 day of July, 19 71, by Solano Rail Car Co., Inc.

of Oroville County of Butte State of California, hereinafter designated as DEBTOR, to Bank of America NT & SA of Oroville County of Butte, State of California, hereinafter designated as SECUFED PARTY.

WITNESSETH: Debtor hereby transfers and conveys to Secured Party a security interest in that certain property described as follows:

ITEM	MANUFACTURED BY	SERIAL NUMBER	ENGINE NUMBER	RECORDED NUMBER
Railroad Tank Car	Union Tank Car Co.	UTLX 67301		
		Class: DOT103-W		

Now and to be permanently located in the City of Not Limited, County of _____ and City of _____, County of _____, State of California, together with all equipment, parts, appliances and appurtenances now or hereafter to be placed thereon, all of which shall become a component part thereof and included under the terms of this agreement, as security for the payment by Debtor of a promissory note or contract hereinafter referred to as note in the original amount of Ten Thousand and No/100- Dollars ($ 10,000.00), dated the 20 day of July, 19 71, with final payment due on the 20 day of July, 19 74 executed by Debtor and payable to Secured Party and all renewals and extensions thereof, and for the payment of all sums that may be advanced and expenditures that may be made by Secured Party to or on behalf of Debtor, and all indebtedness and obligations that may be incurred by Debtor or any of them, to Secured Party, its successors or assigns, subsequent to the execution of this agreement; also all present and future demands of any kind or nature which Secured Party, its successors or assigns, may have against Debtor or any of them, whether created directly or acquired by assignment, whether absolute or contingent, whether due or not, whether otherwise secured or not, or whether existing at the time of the execution of this agreement or arising thereafter, provided, however, that this agreement shall not secure, unless Debtor shall otherwise agree in writing, any such sums advanced, expenditures made, indebtedness and obligations incurred, or present or future demands which are or may hereafter be "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending Law and do not arise as a result of any action taken, sum expended or expense or liability incurred by Secured Party as provided herein.

All advances hereunder and all costs of litigation, collection (including attorney's fees or other costs expended or incurred in connection with the discovering, locating or taking possession of said property) and any and all costs of returning said property to the location above referred to (including costs of repairing, rehabilitating or storing said property) together with any interest agreed to be paid thereon, are all likewise secured hereby.

The terms and conditions of this agreement are as follows:

(1) Debtor hereby warrants that he is the sole owner of the property described herein, free and clear of all liens, encumbrances or adverse claims of any kind whatever.

(2) Debtor agrees that he will neither use, not permit the use of, said property for any unlawful purpose and that he will register, use, operate and control the same in accordance with all applicable statutes, laws, ordinances and regulations.

(3) Debtor will not, nor will he attempt to, assign, pledge, mortgage, hypothecate or otherwise dispose of said property, or any part thereof, during the terms of said note and this agreement, nor will he remove said property, or permit the same to be removed, from the county where said property is permanently located for any period in excess of ten (10) days without the prior written consent of Secured Party.

(4) Debtor agrees to exhibit said property to Secured Party upon demand, to keep said property in as good condition and repair as it now is, ordinary wear and tear excepted and to pay promptly all taxes levied or assessed thereon and all liens which may attach thereto. Service of any notice upon Debtor may be made by deposit in the United States mail, postage prepaid, directed to Debtor at his address set forth herein.

(5) Debtor agrees to take out, pay for and keep in full force and effect a policy or policies of insurance, in form satisfactory to Secured Party and issued by an insurance carrier approved by Secured Party (covering both Secured Party and Debtor), for the hazards of fire, theft and total or partial destruction, and such additional hazards as may be mutually agreed upon. The loss under every such policy shall be paid to Secured Party or its assigns up to the amount of the obligation secured, and the balance, if any, to Debtor; said policy shall be held by Secured Party until all obligations secured by this agreement are satisfied. In the event that Debtor should for any reason fail to take out said insurance, or pay for the same, Secured Party may, but shall not be obliged to, take out and pay for such insurance, and any sums advanced therefor shall be added to the balance of said note and secured by this agreement. Any sums received upon cancellation of any policy may be applied by Secured Party upon the then remaining balance of any obligation secured hereby.

(6) Should Secured Party make any advance or advances or spend any money for the protection or preservation of its security, or should there accrue or be due any collection costs or other obligations arising under this contract, such advance or advances, together with such collection costs or other obligations arising under this contract and unpaid, shall be added to the unpaid balance of said note and shall be secured hereby, and shall all become immediately due and payable with interest at the same rate per annum as the note hereinabove mentioned. Secured Party shall have the right upon receipt of any instalment or payment due under the terms of said note and this agreement to apply the same, first, in satisfaction of any collection costs or other moneys advanced by the Secured Party hereunder; second, to the satisfaction of any unpaid interest, and third, to payment of principal. Should there be a deficiency in the amount of any instalment or payment after the payment of said costs, such deficiency shall be payable forthwith, and the failure on the part of Debtor to pay or satisfy same shall accelerate for immediate payment the entire unpaid balance of said obligation, including all advances made and collection costs and interest accrued, and Secured Party may exercise such right or rights as are reserved to Secured Party under the terms of this agreement or by law.

(7) Failure by the Debtor in the performance of any covenant or agreement herein or in the discharge of any liability to Secured Party, or the giving of any warranty that should prove untrue, or the commencement of any proceedings under the bankruptcy or similar laws by or against Debtor, shall constitute an event of default under this Agreement. Upon the occurrence of any such default Secured Party, at its option may accelerate the maturity of any obligation or obligations of Debtor to Secured Party regardless of the terms of any promissory note or other instrument evidencing the same. Upon the occurrence of any such event of default Secured Party shall also have all of the rights and remedies of a secured party under the California Uniform Commercial Code or other applicable law and all rights provided herein, or in any other applicable security or loan agreement, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. Without limiting the generality of the foregoing, upon the occurrence of any such event of default the Secured Party is entitled to take possession of the collateral or any part thereof, and to take such other measures as Secured Party may deem necessary for the protection of the collateral. Secured Party may, after any such event of default, require Debtor to assemble the collateral and to make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Secured Party and Debtor. Any notice of sale, disposition or other intended action by Secured Party sent to Debtor at least five days prior to such action shall constitute reasonable notice to Debtor. The waiver of any default hereunder shall not be a waiver of any subsequent default.

Secured Party, or its agent, may bid and purchase at any sale made under this agreement.

(8) Debtor further agrees that if from any cause there shall be a substantial decrease in the value of said property, Secured Party shall have the option of demanding of Debtor further security in order to offset said decrease in value, and upon the failure of Debtor to give additional security, Secured Party may proceed in the same manner as herein provided in case of any other default.

(9) This agreement shall bind and inure to the benefit of the parties hereto and their executors, administrators, heirs and assigns, and the word "Debtor" as used herein includes masculine, feminine and neuter, singular and plural.

All the rights, privileges, options and remedies granted to Secured Party hereunder shall be deemed cumulative, and not alternative.

EFL-318 1-71 (Rev.)

(CONTINUED ON REVERSE)

Debtor declares that he has read this Security Agreement and understands the effect and purport thereof.

Time is declared to be the essence hereof with respect to the performance of the covenants and obligations set forth herein, and no waiver by Secured Party of any breach or default of or by the Debtor, whether under the terms of the note or of this agreement, shall be deemed a waiver of any breach or default thereafter occurring.

This agreement may be executed in one or more counterparts and, when so executed, each counterpart shall be deemed to be an original.

SOLANO [illegible] INC.

By [illegible] President

DEBTOR

ADDRESS

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned does hereby sell, assign, endorse and transfer to BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION his, its or their right, title and interest in and to the within Security Agreement and the Note therein described and the property covered thereby, and authorizes the said BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION to do every act and thing necessary to collect and discharge same. The undersigned warrants that the within Security Agreement is bona fide and was actually executed by the person or persons whose signature or signatures appear therein.

Dated this _____ day of _____, 19____

ASSIGNOR

By _____

ASSIGNMENT WITH RECOURSE

FOR VALUE RECEIVED, the undersigned does hereby sell, assign, endorse and transfer with recourse to BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION his, its or their right, title and interest in and to the within Security Agreement and the Note therein described and the property covered thereby, and authorizes the said BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION to do every act and thing necessary to collect and discharge the same.

The undersigned warrants and agrees to defend the title of said property hereby conveyed against all lawful claims and demands except the rights of the Debtor, and for the purpose of inducing you to purchase the said instruments, the undersigned makes the following representations, and warranties: That the said instruments are bona fide and were actually executed by the person or persons whose signature or signatures appear therein; that said person or persons were of legal age and competent to execute the instruments at the time of execution thereof; that the property which is the subject of said agreement is truly and accurately described; that the said property is in possession of said Debtor; that the amount owing upon said note is correctly stated therein; that there are no counterclaims or setoffs on the part of said maker or makers against the same and should any of these representations or warranties be false or should any claim of breach of warranty be made by the maker or makers, then the undersigned hereby agrees to pay to you on demand the full unpaid balance of said note.

In further consideration of your purchase of the said Note and Security Agreement, the undersigned guarantees payment of the full amount remaining unpaid and covenants, if default be made in the payment of any instalments, to pay the full amount then unpaid to you upon demand, and there shall be no duty on you to proceed in any way against maker, makers or Debtor as a condition precedent to payment to you of unpaid balance.

The liability of the undersigned shall not be affected by any settlement or extension of credit or variation of the terms of the said instruments effected with the purchaser or any other person interested, nor affected by any assignment hereof.

The undersigned waives lack of diligence, notice of this guaranty and notices of non-payment and non-performance.

Dated this _____ day of _____, 19____

ASSIGNOR

By _____