SECURITY AGREEMENT
(CHATTELS OR CROPS)

This Agreement, made this 3rd day of August, 1971, by RICHARD E. LLOYD dba RELCO of Incline Village, County of Nevada, ~~California~~, herein called Debtor (whether one or more) in favor of **UNITED CALIFORNIA BANK,** a California corporation, of 405 Montgomery Street, San Francisco, California, County of San Francisco, California, herein called Bank:

WITNESSETH: That the Debtor hereby grants Bank a security interest, pursuant to the California Uniform Commercial Code, in all that certain personal property described in the following schedule(s), to wit:

Seven (7) 20,000 Gallon Capacity, Class DOT 111A100-W-1 Coiled, Non-insulated, Tankcar Marked RTLX and Numbered 211, 212, 213, 214, 215, 216, 217.

RECORDATION NO. 6270 Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

AND ALSO any and all replacements thereof and additions thereto hereafter made or acquired by Debtor;

SAID personal property being located in the County of _____, State of California, at or upon the real property described as:

These cars to travel across the various railroads of the United States as assigned by the leases under which these cars will operate.

AS SECURITY FOR:

(1) The payment to Bank of:

(a) The certain promissory note executed by Debtor in favor of Bank, and further described as follows: Note for $ 115,700.00, dated July 30, 1971, payable within one year and bearing interest at Prime Rate plus 3% per annum payable in monthly instalments of $1,750.00 and any and all extensions and/or renewals of said note or any amounts owing thereon;

(b) Any and all sums hereafter advanced and expenditures hereafter made (in addition to any advancements or expenditures necessarily made pursuant to the provisions of the next following paragraph hereof) by Bank to or for Debtor, and any and all indebtedness and obligations now or hereafter owing or due or becoming owing or due from Debtor to Bank.

(2) The repayment of any and all sums and amounts that are necessarily advanced or expended by Bank or assigns for the maintenance or preservation of the property, or any part thereof, described in this Agreement;

(3) The payment and performance of each and every of the obligations and promises of Debtor herein contained.

Debtor hereby agrees: To do all acts which may be necessary to maintain, preserve and protect said property and during the continuance hereof to keep said property in good condition and repair, and if worn, damaged or destroyed to at least replace the same by other property of equal value; not to permit any waste thereof: to pay, at least ten (10) days before delinquency, all taxes, charges, assessments and liens now or hereafter levied or imposed upon the property or income and all taxes and license fees imposed upon Debtor's right to do business; not to remove nor permit to be removed any part of said property from the premises where the same is located, as herein stated, without the written consent of Bank, to provide, maintain, and deliver to Bank fire and other insurance policies covering said property in amounts and companies satisfactory to Bank and with loss payable to Bank.

Debtor hereby declares and warrants to Bank that Debtor is the absolute owner and in possession of all of said property; that all of said property is now in the possession of Debtor at the location above described; that said property is free and clear of all security interests, liens and encumbrances and adverse claims, with the exception of the lien of this Agreement. Debtor agrees to keep this Agreement a first lien upon all of the property and agrees not to sell, lease, encumber or dispose of any of said property without the written consent of Bank. Debtor further covenants and agrees that Debtor will, upon demand at any time, make, do, execute and deliver all such further acts, deeds and things as shall be reasonably required to effectuate the intent hereof so as to render all of said property hereinbefore mentioned, or which may be hereafter acquired, available for the security and satisfaction of said indebtedness, according to the intent and purpose herein expressed, and so as to enable the Bank to sell and/or convey or otherwise to subject the same to the lien hereof. Debtor further agrees to appear in and defend any and all actions and proceedings affecting the title to said property or any part thereof or affecting the security interest of Bank therein.

Should this Agreement cover growing crops or crops to be grown, Debtor agrees, in addition to other applicable provisions of this Agreement, to properly cultivate, irrigate, fertilize, fumigate, prune, and/or perform any other act or acts necessary to grow, care for, preserve, and protect said crops in a proper manner and at the proper time which, from the character or use of said property, may be reasonably necessary to protect and preserve the Bank's security, the specific enumerations herein not excluding the general; not to commit or permit any waste of said crops; to keep said crops separate and always capable of identification; to harvest and prepare said crops for market and when the same are ready for market promptly to notify Bank and to deliver

immediately the marketable products to Bank to be by Bank held and/or disposed of at such times and for such prices and on such terms as Bank may deem proper. Debtor agrees to follow Bank's instructions with reference to hauling, shipping, storing, marketing and otherwise preparing, handling and disposing of said crops. The proceeds of sale of any of said crops when received by Bank shall be applied toward the payment of the debts secured hereby, including interest thereon and any advancements or expenditures made or incurred by Bank in handling, selling and/or disposing of such crops, or under any provision of this Agreement, all in such order and manner as Bank may elect, and after full payment thereof any proceeds of said crops remaining shall be paid to Debtor or the person or persons entitled thereto.

If the Debtor 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 Debtor, may make such advancements or expenditures and do such acts as Bank may deem necessary to protect Bank's security, Bank being hereby authorized (without limiting the general nature of the authority hereinbefore conferred) to take possession of said property, to pay, purchase, contest and compromise any encumbrance, charge or lien which in the judgment of Bank appears to be prior or superior to the lien of this Agreement, and as to any crops covered hereby to enter from time to time upon the real property on which such crops may be and to take possession of said crops, or any part thereof, and to take such measures as Bank may deem necessary or proper for the care, growing, harvesting, protection, preservation and marketing of said crops, or any part thereof, and, in exercising any such powers and authority to pay necessary expenses, employ counsel and pay them reasonable fees. Bank's determination as to whether or not Debtor has failed to make any payment or do any act as herein required shall be final and conclusive. Debtor hereby agrees to pay immediately and without demand all sums expended by Bank pursuant to the provisions of this Agreement, with interest from date of expenditure at the rate of ten per cent per annum.

In the event there shall hereafter be a decrease in the value of said property, Debtor agrees to give to Bank further security or make payments on account to Bank in an amount and to the extent sufficient to offset said decrease in value.

If Debtor shall default in the payment of any of the indebtedness, obligations or liabilities secured hereby or shall default in the performance of any agreement herein contained, or if any breach be made of any obligation, promise, declaration or warranty of Debtor herein contained or secured hereby, then Bank at Bank's option, without demand upon or notice to Debtor, may declare all indebtedness, obligations and liabilities secured hereby, and all other sums owing by Debtor to Bank, to be immediately due and payable, and Bank shall have the remedies of a secured party under the California Uniform Commercial Code, including, without limitation, the right to require Debtor to assemble the property and make it available to Bank at a place designated by Bank and to enter upon the premises where said property may be and take possession thereof, and remove and/or sell and/or dispose of said property, or any part thereof, at public or private sale, upon legal notice to Debtor. Said property, or any part thereof, may be sold in one or more lots at one or more sales, which may be held on different days and which need not be held within view of the property being sold. Bank shall deduct and retain from the proceeds of such sale or sales all costs, expenses and charges paid or incurred in the taking, removal, handling and sale of said property, or otherwise incurred in connection therewith, including any reasonable attorney's fees incurred or paid by Bank; the balance of the proceeds shall be applied by Bank upon the indebtedness, obligations and liabilities secured hereby, in such order and manner as Bank may determine, and the surplus, if any, shall be paid to Debtor or to the person or persons lawfully entitled to receive the same. If suit be brought, or any proceedings instituted on this Agreement, there shall be due from Debtor to Bank therein, immediately upon the commencement thereof, a reasonable attorney's fee in said action or proceeding, which sum is hereby secured. In any such action, plaintiff shall be entitled to the appointment of a Receiver, without notice, to take possession of all or any part of said property and to exercise such powers as the Court shall confer upon him. At any sale or sales made under this Agreement, or authorized herein, Bank or any person on behalf of Bank, or any other person may bid for and purchase any property being sold, and, in the event of such purchase, the purchaser shall hold such property thereafter discharged of all right of redemption.

Debtor hereby assigns to Bank all rents, issues, income and profits of or from the property. Debtor further hereby assigns to Bank all sums now or hereafter payable to Debtor as the proceeds of sale of any crops covered hereby, or any part thereof, and any and all sums now or hereafter payable to Debtor under the terms of any agreement for the sale and/or marketing of said crops, or any part thereof; provided, however, that nothing in this paragraph contained shall be construed to waive or in any way affect the lien of this Agreement or the limitations hereinabove expressed, upon the Debtor's right to deal with said crops without Bank's written consent. Debtor also hereby assigns and transfers to Bank all moneys now in or hereafter placed in any revolving funds or other funds of any marketing association or organization, corporation, firm or individual now or hereafter or heretofore handling or having to do with any crops now growing or heretofore or hereafter grown on any lands described in this Agreement or connected with the growing, marketing, farming, or other handling of such crops and the Debtor also hereby assigns and transfers to Bank all stock and all other interests, benefits, and rights of Debtor in any such association, marketing organization, corporation, firm or individual having anything to do with said crops and all moneys due and/or hereafter becoming due to Debtor from any of them.

The term "and/or" as used herein means one or the other or both, or any one or all, of the things or persons in connection with which the words are used.

The right to plead any and all statutes of limitations as a defense to any demand secured by this Agreement is hereby waived to the full extent and longest period allowed by law.

Each married woman who joins in executing this Agreement and any note or notes secured thereby, hereby agrees and expressly assents, pursuant to Section 171b of the Civil Code of the State of California, to the liability of her separate property for all her debts and obligations herein mentioned.

The words "Debtor" and "Bank", as used herein, shall be construed to include the heirs, legatees, devisees, administrators, executors, successors and assigns of Debtor and Bank. This Agreement shall bind and inure to the benefit of said third persons. Whenever the context so requires, the masculine gender includes the feminine and/or neuter, the singular number includes the plural and vice versa. If there be more than one Debtor, it is agreed that the provisions of this Agreement in reference to Debtor shall be construed to apply jointly and severally to each of the debtors.

IN WITNESS WHEREOF, Debtor has executed this Agreement on the day and year first above written.

_____ / Richard P. Lloyd

_____ _____