



No. **0-361A047** 12713

Date JAN 6 1981 RECORDATION NO. _____ FORM 1425

Fee \$ 50.00 JAN 5 1981 - 10 20 AM

ICC Washington, D. C. INTERSTATE COMMERCE COMMISSION

SAN FRANCISCO MAIN OFFICE

October 24, 1980

Secretary of the Interstate
Commerce Commission
Washington, D.C. 20423

Dear Mr. Secretary:

By this letter of transmittal we request that the enclosed executed and acknowledged Security Agreement be recorded evidencing Bank of America, NT&SA's first lien on four railroad cars to be used in connection with interstate commerce with lender, debtor and cars specifically described as follows:

Lender: Bank of America, NT&SA
San Francisco Main Office #33
345 Montgomery Street
San Francisco, CA 94104

Debtor: Paul R. Handlery
351 Geary Street
San Francisco, CA 94102

Railroad Cars: Four 100-ton covered hopper railcars, AAR mechanical designation "LO" with the following identifying marks:
Car #1 -- RRRX 1913
Car #2 -- RRRX 1914
Car #3 -- RRRX 1915
Car #4 -- RRRX 1916

We enclose our Cashier's Check #59155 in the amount of \$50.00 as the required recordation fee. Please return the original document (acknowledged Security Agreement) to

Bank of America, NT&SA
San Francisco Main Office #33
Attn: J. S. Robinson, Vice President
345 Montgomery Street
San Francisco, CA 94104

Respectfully,

J. S. Robinson
Vice President

enclosures: Security Agreements &
Acknowledgements
(Original and 2 Counterparts.)

JAN 6 10 15 AM
DOCKET FILES
BRANCH

Interstate Commerce Commission
Washington, D.C. 20423

1/6/81

OFFICE OF THE SECRETARY

Bank Of America, NT&SA
San Francisco Main Office ###33
345 Montgomery Street
San Francisco, CA. 94104

Attn: J.S.Robinson, VP.

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **1/5/81** at **10:20am**, and assigned re-
recording number(s). **12713**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)



Counterpart I

RECORDATION NO. 12713 Filed 1425

SECURITY AGREEMENT

JAN 5 1981 - 10 20 AM NO. 1

The secured party, U.S. FEDERAL RESERVE COMMISSION and party is a seller, it intends to transfer this agreement to Bank of America NT & SA. California law governs the terms of this agreement.

PAUL R. HANDLERY
INDIVIDUAL, PARTNERSHIP, CORPORATION, as borrower, of **351 Geary Street**
STREET OR P.O. ADDRESS
San Francisco **San Francisco** County, California, and
CITY SECOND BORROWER: INDIVIDUAL, PARTNERSHIP, CORPORATION
as borrower, of _____ County, California,
STREET OR P.O. ADDRESS CITY

TRANSFER(S) this **29th** day of **October**, 19 **80**, to the secured party **Bank of America, NT&SA**
BANK OR SELLER'S NAME IF SECURED PARTY IS SELLER
a security interest in the following property: **San Francisco Main Office**

ITEM	MANUFACTURED BY	SERIAL NUMBER	ENGINE NUMBER	RECORDED NUMBER
1. 100-Ton covered hopper railcar, ID marks	RRRX 1913	, AAR mechanical designation	"LO"	
2. 100-Ton covered hopper railcar, ID marks	RRRX 1914	, AAR mechanical designation	"LO"	
3. 100-Ton covered hopper railcar, ID marks	RRRX 1915	, AAR mechanical designation	"LO"	
100-Ton covered hopper railcar, ID marks	RRRX 1916	, AAR mechanical designation	"LO"	

Item(s) No. _____ are and will be permanently located in _____ County of _____, California,
and Item(s) No. _____ in _____ County of _____, California. All equipment,

parts, appliances and appurtenances attached now or in the future are considered to be a part of the property and are included in this agreement as security for payment of the following by borrower:

1. A promissory note, or other agreement by which borrower promises to pay money to secured party ("Note"), signed by borrower and made payable to secured party, dated **October 29**, 19 **80**, for \$ **192,000.00**, with a final payment due on **October 31**, 19 **85**; the terms "Note," "security agreement," and "agreement," include all renewals and extensions of any of them;
2. Any money that secured party may advance to or spend on borrower's behalf;
3. Any indebtedness or obligations to secured party that borrower may incur after this agreement is made;
4. Any present or future demands which secured party may have against borrower, whether the demands are a) created directly or acquired by assignment, b) absolute or contingent, c) due or not, d) otherwise secured or not, or e) existing when this agreement was made or arising after it;
5. Any interest which borrower has agreed to pay secured party under the Note or this agreement, any costs or expenses of collection, litigation, repossession, storage or repair and any attorney's fees which secured party may incur.

Unless borrower agrees otherwise in writing, however, this agreement will NOT secure any of the money or events referred to in paragraphs 2, 3, and 4 above if they now are, or may later be, "consumer credit" under the Truth in Lending Act.

TERMS OF AGREEMENT

BORROWER AGREES AND CERTIFIES:

1. Borrower is the sole owner of the property described in this agreement and at the time this transfer occurs there are no liens of any kind against the property.
2. Borrower will register, use, operate and control the property in accordance with all applicable laws and regulations and will not use the property, nor allow it to be used, for any unlawful purpose. Further, borrower will pay promptly all taxes on the property and any liens against it.
3. While borrower still owes money to secured party under the Note or this agreement, borrower will not, nor will borrower try to, assign, pledge, mortgage, or otherwise dispose of any of the property, unless anything borrower owes secured party will be paid in full as a result of such action. Also, borrower will not remove the property, nor allow it to be removed, from the permanent location(s) shown above for more than ten days unless secured party agrees in advance in writing.
4. Borrower will keep the property in as good condition and repair as it is now -- ordinary wear and tear excepted -- and will show the property at any time secured party requests.
5. Borrower will keep the property insured as follows. The carrier and the form of the policy are subject to approval of the secured party.
 - a) The policies will cover secured party and borrower for fire, theft, total or partial destruction of the property, and any additional hazards secured party requires. The loss under every policy will first be paid to secured party up to the amount that borrower still owes secured party; if borrower is also insured, any balance will go to borrower.
 - b) Secured party will hold the policies until all obligations secured by this agreement are paid off. Secured party may use any money received upon cancellation of any policy to pay off as much as possible of the remaining balance of any obligation secured by this agreement.
 - c) If borrower does not buy or pay for the insurance, secured party may do so -- but does not have to -- and the cost will be added to the balance of the Note and secured by this agreement.
6. Borrower will be in default if a) borrower does not carry out the obligations of the Note or this agreement on time, or b) has made any untrue statement in this agreement, or c) any voluntary or involuntary proceeding is started by or against borrower under any bankruptcy or similar law, or d) the Note is in default.
7. If borrower defaults, secured party will have the right under the law, if it chooses, to do the following:
 - a) Accelerate the maturity of any obligation in the Note or this agreement;
 - b) Take possession of the property or do anything to protect the property;
 - c) Require borrower to assemble the property and make it available at a reasonably convenient location chosen by secured party;
 - d) Buy the property at any sale;
 - e) Do anything else allowable under the California Uniform Commercial Code, the Note or this agreement. Secured party may do some or all of the things listed in this section 7a through e, at its option. Even if secured party waives a default, such action will not be a waiver of any later default.

8. Should secured party spend any money to protect its security, or if there are any collection costs or other obligations which arise under this agreement, here's what will happen:

a) All of the money will be 1) added to the unpaid balance of the Note, 2) secured by this agreement, and 3) become immediately due and payable, with interest at the same rate as the Note's.

b) Secured party may apply any regular payment received under the Note and this agreement, first, to pay expenses, collection costs, or other obligations (other than the original amount of the Note); second, to interest then due; third, to payment of the principal balance.

c) If borrower does not pay enough for all of the preceding, borrower will have to pay the difference immediately. If borrower does not pay the difference, everything borrower owes secured party under this agreement will be immediately due and payable, including all of borrower's unpaid balance under the Note, advances and collection costs, accrued interest and anything else which borrower has not paid secured party. Secured party may do anything to collect this amount which the law or this agreement allows.

9. If the value of the property decreases more than secured party reasonably expects, it may, if it chooses, demand further security from borrower. If borrower does not give secured party the additional security, that will be a default and secured party may proceed as it would under any other default.

10. This agreement may be signed in one or more copies and each will be considered to be an original. Notices may be mailed to borrower at the address below.

Borrower has read and understands this agreement.

Paul R. Handley
BORROWER
Paul R. Handley

By X _____
351 Geary Street, San Francisco, CA 94102
ADDRESS

_____ BORROWER
By X _____
ADDRESS

ASSIGNMENT

For value received, seller assigns to Bank of America National Trust and Savings Association (bank) this security agreement, the Note referred to in it, seller's interest in the property described in the agreement, and all the funds to become due under it. Seller authorizes bank to do anything necessary to collect the funds and fulfill the requirements of the agreement and the Note. The security agreement is bona fide and was actually signed by the person(s) whose signature(s) appears on it.

Dated this _____ day of _____, 19____
SELLER
By X _____

ASSIGNMENT WITH RECOURSE

For value received, seller assigns to Bank of America National Trust and Savings Association (bank) this security agreement, the Note referred to in it, seller's interest in the property described in the agreement, and all the funds to become due under it. Seller authorizes bank to do anything necessary to collect the funds and fulfill the requirements of the agreement and the Note. Seller agrees to indemnify bank against any claim made against the property except for a claim made by the borrower. For the purpose of inducing bank to buy the agreement and the Note, seller makes the following representations and warranties: 1) The agreement and Note are bona fide and were executed by the person(s) whose signature(s) appears on them, 2) the person or persons were of legal age and competent to sign the instrument, 3) the property is accurately described in the agreement and the amount owing on the Note is correctly stated in it, 4) the property is in the possession of the borrower, 5) there are no counterclaims or setoffs on the part of the maker(s) against the Note.

Should anything stated above be false, or should the maker(s) assert any claim of breach of warranty, then seller agrees to pay bank on demand the full unpaid balance of the Note. Also, if any installment is not paid, seller guarantees payment to bank, upon demand, of the full unpaid balance of the Note. Bank will not have to proceed in any way against any maker(s) of the Note or the borrower before seller pays bank the unpaid balance of the Note. No extension of credit or variation of the terms of the agreement and the Note made with the purchaser or anyone else, or any assignment of the agreement or Note, will affect seller's liability. Seller waives lack of diligence, notices of nonpayment and nonperformance and any notices required because of seller's guarantee.

Dated this _____ day of _____, 19____

INTERSTATE COMMERCE COMMISSION
SELLER

By X _____
MAY 2 1991 4 58 AM

ACKNOWLEDGEMENT:

State of California
County of San Francisco, ss:

On this 29th day of October, 1980, before me personally appeared Paul R. Handlery, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Hilda Lockridge
Notary Public

(Seal)

My commission expires 12-11-83

