

Commercial Bank of San Francisco

333 PINE STREET, SAN FRANCISCO, CALIFORNIA 94104 • (415) 956-0333

JOHN F. SMITH
SENIOR VICE PRESIDENT

RECORDATION NO. **13127** Files 1425

May 28, 1981

JUN 1 1981 -3 30 PM

1-152A144

INTERSTATE COMMERCE COMMISSION

No.

Date **JUN 1 1981**

Fee \$ **50.00**

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

ICC Washington, D. C.

Dear Sir:

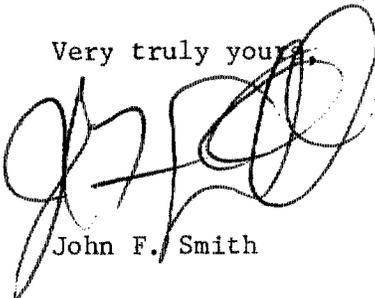
We are enclosing three copies of a security agreement in connection with the financing of a railroad car for E. David Heldt, # CHRX1019.

The enclosed documents are to be recorded pursuant to the provisions of section 20c of the Interstate Commerce Act, 49 U.S.C. 20c.

Please perfect a security interest with regard to these matters.

Enclosed is a \$50.00 fee covering the recordation of the subject documents.

Very truly yours,



John F. Smith

JFS/lis

Enc.

RECEIVED
JUN 1 3 04 PM '81
FEE OPERATION BR.

SECURITY AGREEMENT
(Rail Rolling Stock)

RECORDATION NO. 13122

JUN 1 1981 9 30 PM

THIS AGREEMENT, made and entered into this 19th day of May, 1981 between E. David Heldt

STATE COMMERCE COMMISSION

(hereinafter called Debtor), and COMMERCIAL BANK OF SAN FRANCISCO, (hereinafter called Secured Party),

WITNESSETH:

WHEREAS, Debtor has requested Secured Party to lend to Debtor such sums as may be from time to time mutually agreed upon, upon the security of certain collateral described below; and

WHEREAS, Secured Party is willing to lend such sums upon the terms and conditions described below:

NOW, THEREFORE, for valuable consideration received and in consideration of the mutual covenants and promises set forth herein Debtor and Secured Party hereby agree as follows:

1. Pursuant to the provisions of the California Uniform Commercial Code, and of the Interstate Commerce Act, Debtor hereby grants to Secured Party, and Secured Party hereby accepts a security interest in the following described personal property:

RAILROAD TANK CAR # CHRX1019

together with all substitutions thereto and replacements thereof, all improvements and accessions thereto, whether or not the same is specifically enumerated herein, and further, Debtor hereby grants to Secured Party a security interest in the proceeds thereof. Said assets shall hereinafter be referred to as the "Collateral". The personal property identified above is presently located at British Columbia, Canada

and is in the physical possession of Canadian Hidrogas Resources Limited

whose address is British Columbia, Canada

2. This agreement secures the payment, in lawful money of the United States of America to said Secured Party, at its address set forth below, of the following:

a) a promissory note dated May 19, 1981 executed by Debtor payable to Secured Party, in the amount of \$ 25,668.31, with interest as provided therein (hereinafter "Promissory Note"); and

b) all further advances which may be made by Secured Party to Debtor including, but not limited to all advances and expenditures made by Secured Party for the protection, maintenance, preservation or repair of the collateral; and

c) all expenses including attorneys fees incurred or paid by Secured Party in the enforcement of its rights or the obligations of Debtor under this Agreement;

d) all liabilities of any kind, whether primary, secondary, direct or contingent, which are now due or which may hereafter become due from Debtor to Secured Party; and

e) performance by Debtor of the agreements hereinafter set forth, provided, however, that this agreement shall not secure, unless Debtor and Secured Party shall otherwise agree in writing, such future advances or liabilities 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.

3. Debtor hereby warrants and covenants that:

a) Debtor is a(n) individual
(individual/Corporation/Partnership)

with its principal residence or principal place of business located at 12 Alasdair Court, San Rafael, Ca

b) The Collateral is not used or bought primarily for personal, family or household purposes but is and will continue to be used as railway rolling stock.

- 2

c) No financing statement covering any collateral or proceeds thereof is on file in any public office or with any public agency.

d) Debtor has not transferred or assigned an interest in the Collateral to any individual or entity except for the interest assigned in this Security Agreement and in any agreements that are attached hereto as exhibits.

4. Debtor hereby warrants, covenants and agrees as follows:

a) Debtor will not encumber, sell, offer to sell, or otherwise assign, transfer or convey an interest in the Collateral or any part thereof without first obtaining prior written consent of the Secured Party. However Debtor will be entitled to lease the collateral to any individual or corporation acceptable to Secured Party on the condition (1) that such lessee comply with all of the terms of this Security Agreement and (2) that Debtor remain obligated to Secured Party under the terms of this Security Agreement. In the event that the collateral is to be leased, Secured Party will be provided in advance with a copy of the proposed lease.

b) Debtor will keep and maintain the Collateral in good condition and repair. Debtor will not waste nor destroy the Collateral nor any part thereof; nor will Debtor allow such waste or destruction.

c) Debtor will keep the Collateral free of any adverse liens, security interests or encumbrances and Debtor will defend the collateral against all claims and demands.

d) The Collateral will not be used in violation of any federal, state or local statute, ordinance or regulation and Debtor will not allow such misuse of the collateral.

e) Debtor will comply with all applicable requirements of the Interstate Commerce Act and regulations of the Interstate Commerce Commission.

f) Until final termination of the Security Agreement, Debtor at its own cost and expense shall keep the Collateral insured for the full amount secured by this Security Agreement against all risks of loss, damage or destruction. Such policy of insurance shall be issued by an insurance company acceptable to Secured Party, shall be payable to Secured Party, and shall provide for ten days written notice of cancellation to Secured Party. A duplicate copy of such policy shall be delivered to Secured Party.

g) Debtor shall provide to Secured Party, upon reasonable advance notice, information pertaining to the location of the Collateral.

h) Debtor will pay promptly when due all taxes and assessments levied or assessed against the Collateral, or any part thereof, or assessed for its use and operation or upon this Security Agreement or upon the Promissory Note.

i) Debtor will join with Secured Party in executing one or more financing statements pursuant to the California Uniform Commercial Code, in a form satisfactory to Secured Party and any other documents deemed necessary by Secured Party to perfect the security interest assigned in this Security Agreement. Debtor will pay the filing costs incurred by Secured Party in filing the financing statements or other documents in all public offices wherever filing is deemed by the Secured Party to be necessary or desirable.

j) Debtor agrees to reimburse Secured Party for any costs and fees, including reasonable attorneys fees, incurred by reason of the exercise of any right under this Security Agreement or the Promissory Note or incurred as a result of any breach thereof by Debtor or incurred to protect the Collateral.

k) Debtor will immediately inform Secured Party if any of the provisions contained in this paragraph are violated.

5. Secured Party either in person or by agent shall have the right to obtain information from Debtor regarding the location of the Collateral and shall have the right at any and all reasonable times and at reasonable intervals to inspect the Collateral.

6. Secured Party may at its option, but it shall not be required to, pay on behalf of Debtor any taxes, assessments, insurance premiums, repair costs or

Debtor authorizes Secured Party to collect and receive proceeds and products of the said Collateral, and this Security Agreement shall be deemed an assignment thereof to Secured Party.

12. All rights and remedies of Secured Party are cumulative and may be exercised successively or concurrently without impairing Secured Party's security interest in the Collateral.

13. Secured Party may assign its rights under the Security Agreement; and Secured Party's assignees shall be entitled to all performance required of Debtor by this Agreement upon written notice of the assignment being given by secured party to debtor.

14. All obligations and liabilities of Debtor hereunder shall bind its heirs, successors, assigns, executors and administrators.

15. Secured Party may delay or omit to exercise any right or remedy under the Security Agreement or under applicable law without thereby waiving any right or remedy. No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. The acceptance of any partial or delinquent payment by Secured Party shall not operate as a waiver of the default, or as a modification of this Security Agreement or as a release of Debtor's obligations under this Security Agreement.

16. Except as otherwise provided by law, any and all notices and communications required or to be served by this Security Agreement or by law, shall be in writing and shall be deemed duly served when personally given to the party to whom it is directed or, in lieu of such personal delivery, when deposited in the United States Mail first class postage prepaid addressed to Secured Party at P.O. Box 7217, San Francisco, CA 94120 California, and to Debtor at 12 Alasdair Ct. San Rafael, California. Either party may change its address for the purpose of this section by giving written notice of such change to the other party in the manner provided in this paragraph.

17. The term "Debtor" as used herein shall include all individuals listed above and will, where necessary, include both male and female individuals. If there is more than one Debtor their obligations hereunder shall be joint and several. Any married individual who signs this Security Agreement expressly agrees that both their Community Property and their separate property shall be liable for the indebtedness secured hereby.

IN WITNESS WHEREOF Debtor and Secured Party have caused this Agreement to be executed this 19th day of May, 1981.

E. David Held

E. David Held (Debtor)

12 Alasdair Ct., San Rafael
(Address)

(Debtor)

(Address)

(Debtor)

(Address)

(Debtor)

(Address)

COMMERCIAL BANK OF SAN FRANCISCO
(Secured Party)

By [Signature]
John F. Smith, Senior Vice President

maintenance costs that pursuant to the terms of this Security Agreement should have been but were not paid by Debtor and to discharge any liens, security interests or other encumbrances that at any time may be levied upon the Collateral. Secured Party shall also have the right, at its option to cause to be performed, as agent for and on behalf of the Debtor, any such acts as Secured Party may deem necessary for the proper repair or maintenance of the Collateral. Any moneys expended or expenses incurred by Secured Party under the foregoing authorization shall be due and payable by Debtor to Secured Party together with interest at the rate specified in the Promissory Note, on demand, and payment thereof shall be secured by the security interest created by this Security Agreement.

7. Debtor may have possession of the Collateral and use it until default.

8. Debtor shall be in default under this Security Agreement upon the happening of any of the following:

a) Default in the payment or performance of any obligation, term, condition or liability contained or referred to in this Security Agreement or in the Promissory Note.

b) The discovery that any warranty, representation or statement made to or furnished to Secured Party by or on behalf of Debtor is false in any material respect.

c) Loss, theft, or substantial damage, destruction or misuse of the Collateral or any part thereof or the making of any levy, seizure or attachment thereon;

d) The death, insolvency or business failure of Debtor or of any guarantor of the obligations of Debtor, appointment of receiver for any part of the Collateral, assignment of the Collateral or of any assets of Debtor for the benefit of creditors, or the commencement of insolvency or bankruptcy proceedings by or against the Debtor or any guarantor of the obligations of Debtor.

e) Default in the payment or performance of any obligation or liability the payment or performance of which is secured by this Security Agreement.

f) If the secured party in good faith believes its prospect of payment or performance under this Security Agreement is impaired.

9. On such default and any time thereafter, Secured Party may at its option declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a secured party under the California Uniform Commercial Code and under the Interstate Commerce Act. Secured Party shall have the right to require Debtor to assemble the Collateral and make it available to Secured Party in a place designated by the Secured Party.

10. In addition, upon default Secured Party shall have the right:

a) To enter on the premises where the Collateral may be located and to take the possession of and remove the Collateral;

b) To render the Collateral unusable and dispose of it in the manner provided in the California Uniform Commercial Code on or off of the Debtor's premises;

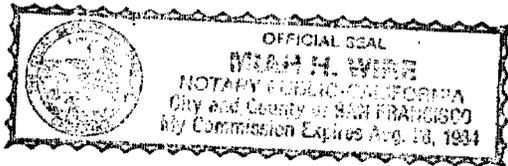
c) To dispose of the Collateral in either a public or private sale.

Unless the Collateral threatens to decline its value or is the type customarily sold on a recognized market, Secured Party will give Debtor a reasonable notice of the time and place of any public sale thereof or of the time after which any public sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed to the address of the Debtor shown in this Security Agreement.

11) Debtor hereby nominates and appoints Secured Party as attorney-in-fact to do all acts and things which Secured Party may deem necessary or advisable to perfect and continue perfected the security interest created by this Security Agreement and to preserve, process, develop, maintain and protect the Collateral. In order to protect, preserve and develop the Collateral, Debtor authorizes Secured Party to enter upon the premises where said Collateral is located and to use for such purposes any equipment and facilities of Debtor.

STATE OF CALIFORNIA
COUNTY OF San Francisco

On this 26th day of May in the year one thousand nine hundred and 81, before me, MIAH H WIRE, a Notary Public, State of California, duly commissioned and sworn, personally appeared E. David Heldt



_____ known to me to be the person _____ whose name _____ subscribed to the within instrument and acknowledged to me that _____ he _____ executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the City _____ County of SAN FRANCISCO the day and year in this certificate first above written.

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The publisher does not make any warranty, either express or implied as to the legal validity of any provision or the suitability of these forms in any specific transaction.

Miah H Wire
Notary Public, State of California
My commission expires Aug 28, 1984

Cowdery's Form No. 32 — Acknowledgement — General (C. C. Sec. 1190a)

STATE OF CALIFORNIA
COUNTY OF San Francisco

On this 26th day of May in the year one thousand nine hundred and 81, before me, MIAH H WIRE, a Notary Public, State of California, duly commissioned and sworn, personally appeared _____
John F Smith



known to me to be the Senior Vice President of the corporation described in and that executed the within instrument, and also known to me to be the person _____ who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same Security Agreement.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the City San Francisco County of SAN FRANCISCO the day and year in this certificate first above written.

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The publisher does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.

Miah H Wire
Notary Public, State of California
My commission expires Aug 28, 1984

Cowdery's Form No. 28 — Acknowledgement Corporation (C. C. Secs. 1190-1190.1)