

New Number
\$50

LAW OFFICES

ALVORD AND ALVORD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D. C. BAR
** ALSO A MEMBER OF OHIO BAR

200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N.W.
WASHINGTON, D. C.
20006-2973

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

August 9, 1982

TELEX
440367 A AND A WSH (INTERNATIONAL)
440348 CDAA UI (INTERNATIONAL)
892482 A AND A WSH (DOMESTIC)

13723
RECORDATION NO. FILED 1982

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C.

AUG 9 1982-3 30 PM
INTERSTATE COMMERCE COMMISSION

3-280A1P1
No.
Date AUG 9 1982
Fee \$ 50.00
Q.H.
ICC Washington, D. C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are original and one copy of a Security Agreement (Chattels) dated July 29, 1982, which is a "primary document" as that term is defined in 49 C.F.R. §1116.1(a).

A general description of the railroad equipment covered by the enclosed document is eighteen (18) 2,001 cubic foot, 70-ton gravity discharge hopper cars AAR Reporting Marks in consecutive order GLNX 125 through GLNX 142.

The names and addresses of the parties to the enclosed document are:

Secured Party: ITT Industrial Credit Company
5820 Stoneridge Mall Road
Suite 204
Pleasanton, California 94566-0111

Debtor: James L. Treadwell Co.
3221 Pierce Street
San Francisco, California 94123

The undersigned is agent for the Secured Party for the purpose of submitting the enclosed document for recordation and has knowledge of the matters set forth therein.

C. T. Kappler
Charles T. Kappler

TELETYPE UNIT

AUG 9 3 25 PM '82

RECEIVED

Ms. Agatha L. Mergenovich
Secretary
August 9, 1982
Page Two

Kindly return the stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006-2973.

Also enclosed is a check in the amount of \$50 to the order of the Interstate Commerce Commission in payment of the required recordation fee.

Very truly yours,


Charles T. Kappler

CORPORATE FORM OF ACKNOWLEDGMENT

STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

On this 29th day of July, 1982, before me personally appeared James L. Treadwell, to me personally known, who being by me duly sworn, says that he is the President of James L. Treadwell Co., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


OFFICIAL SEAL
RENEE M. LABRUCHERIE
NOTARY PUBLIC - CALIFORNIA
SANTA CLARA COUNTY
My Commission Expires Sept. 10, 1983
My Commission Expires September 10, 1983


Renee M. Labrucherie, Notary Public

**SECURITY AGREEMENT
(CHATELS)**

AUG 9 1982 3 30 PM

**(A California Corporation)
James L. Treadwell Co.**

INTERSTATE COMMERCE COMMISSION
ITT INDUSTRIAL CREDIT COMPANY
Secured Party (Lender)

Debtor
3221 Pierce Street
Address
San Francisco San Francisco CA 94123
City County State

Pleasanton CA 94566-0111
City State
\$ 61,092.00 July 29 19 82
Amount as of Date

KNOW ALL MEN BY THESE PRESENTS, that the undersigned debtor hereinabove named, in consideration of and for the purpose of securing the payment of all just indebtedness and obligations, according to the conditions of a certain Promissory Note or other evidence of obligation, dated as above and any other not or evidence of obligation hereafter given, does hereby grant the Secured Party, its successors and assigns, a security interest, pursuant to the Uniform Commercial Code, in all that certain personal property described specifically and generally below in Schedule "A" (all of which property is herein referred to as "Collateral") to secure the payment of said indebtedness and obligations, and any and all sums hereafter advanced and expenditures hereafter made by the Secured Party under the provisions of this Agreement, and any and all indebtedness and obligations of Debtor to Secured Party whether now existing or hereafter incurred.

Debtor represents, warrants and agrees that:

- (1) Debtor is the absolute owner and is in possession of all of the Collateral, and except for any lien or encumbrance noted in Paragraph (a) below and the security interest granted herein, the Collateral and each item thereof is free and clear of all security interests, liens and encumbrances and adverse claims of any kind or nature whatsoever.
- (2) The Collateral is presently located and is customarily kept on or about the premises of Debtor's address as hereinabove set forth except as noted in paragraph (b) below.
- (3) Debtor will not, except upon the express prior written consent of the Secured Party, sell or pledge all or any part of the Collateral, or submit the Collateral to any unpaid charge or encumbrance, including taxes, or in any way lease, dispose of, transfer or assign its interest in the Collateral or this Security Agreement, or remove or allow the removal of the Collateral from its specified location except as specified in paragraph (b) below.
- (4) The "Additional Provisions" set forth on the reverse side hereof shall constitute an integral part of this Security Agreement with the same force and effect as though set forth at length on this front side hereof.
- (5) In the event of repossession after any default as defined herein, Debtor hereby waives notice of and opportunity for hearing.

SCHEDULE A

**Eighteen (18) 2,001 Cubic Foot, 70-Ton Gravity Discharge Hopper Cars.
AAR Reporting Marks in Consecutive Order of GLNX 125
through GLNX 142.**

together with all parts, accessories, repairs, improvements and additions thereto now or hereafter at any time made or acquired, all substitutes or replacements of the said Collateral made by Debtor (which, however, may be made only with the written consent of Secured Party during the term of this Security Agreement) and any and all other personal property now owned or hereafter acquired at any time by Debtor.

- (a) The Collateral is free and clear of all liens and encumbrances except: None
- (b) The Collateral is located at Debtor's address as stated, from which address, City, County or State it shall not be removed without the Secured Party's express prior written consent, except when located at: various jobsites in the continental U.S.
- (c) The following items were or are to be purchased with the proceeds of the loan secured hereby: None

The undersigned Debtor (or if there are two or more Debtors, one of them) acknowledges receipt of a copy of this Security Agreement, and acknowledges that at the time of the signing this Security Agreement on the above date, all blank spaces on this Security Agreement were filled in.

ITT INDUSTRIAL CREDIT COMPANY
(Secured Party)

JAMES L. TREADWELL CO.
Debtor
[Signature]
Signature and Title
[Signature]
Signature and Title

[Signature]
By

ADDITIONAL PROVISIONS

- 1.) Debtor shall keep the Collateral insured against fire with extended or combined additional coverage for the full insurable value thereof and against such other risks in such amounts as Secured Party may specify, all such fire and other insurance to protect Secured Party's interests with a long form endorsement to Secured Party. Debtor grants to Secured Party a Limited Power of Attorney to file all of the necessary papers, forms and documents to initiate any and all claims for loss or damage to the collateral herein described.
- 2.) Debtor shall not lease or rent any item of Collateral without prior written consent of Secured Party. Without limiting the foregoing, if in fact the Debtor leases or rents any item of Collateral, Secured Party may on demand take possession of the original of said lease and shall be granted a security interest in it and in all rents paid or due to Debtor with respect to such Collateral and in the event of default by Debtor hereunder, Secured Party shall have the right in its own name to collect such rentals directly from the party owing same.
- 3.) If Debtor fails to make any payment or do any act as herein required, then Secured Party, at its option, may make such advancements or expenditures and do such acts as Secured Party may deem necessary to protect its security and Debtor hereby agrees to pay immediately all sums so expended by Secured Party together with interest from the date of expenditure at the same rate charged on the loan described on the front side of this Security Agreement.
- 4.) 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, or if a petition is filed by or against Debtor under any of the laws of the United States relating to Bankruptcy, or Reorganizations, or Arrangements, or if Secured Party, in good faith deems itself insecure, Secured Party, at its option, without demand upon or notice to Debtor, may declare all indebtedness, obligations and liabilities secured hereby, to be immediately due and payable, and Secured Party shall have all the rights and remedies granted to a Secured Party under the Uniform Commercial Code, including, without limitation the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party and to enter upon the premises where the Collateral, or any part of it may be, and take possession thereof, Debtor hereby WAIVING NOTICE AND OPPORTUNITY FOR HEARING. Provided further, that the Secured Party's waiver of forbearance of any default or right granted by this Agreement, regardless of the extent or duration of such waiver or forbearance, shall not constitute a waiver of any subsequent default or of the Secured Party's right to require strict performance of this Agreement.
- 5.) In the event Secured Party takes possession of the Collateral, or any part thereof, and same is sold at a public or private sale, Secured Party shall deduct and retain from the proceeds of such sale or sales all costs, expenses, charges paid or incurred in the taking, removal, handling, repair or refurbishing thereof, and sale of said property, or otherwise incurred in connection therewith, including reasonable attorney's fees incurred or paid by Secured Party; the balance of the proceeds shall be applied by Secured Party upon the indebtedness, obligations and liabilities secured hereby, in such order and manner as Secured Party may determine any surplus shall be paid to Debtor or the persons lawfully entitled thereto and Debtor agrees to pay Secured Party any deficiency.
- 6.) If suit be brought, or any proceedings instituted on this agreement, there shall be due from Debtor to Secured Party, 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 the Collateral and to exercise such powers as the Court shall confer upon him. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.
- 7.) Any requirement of reasonable notice to Debtor shall be met if such notice to such Debtor is deposited in U.S. mail by certified mail, postage prepaid to the address of Debtor, as hereinabove set forth (or to such other address as Debtor may have requested in writing), at least seven (7) days before the time of the event set forth in such notice.
- 8.) Publicity for any public sale shall be deemed commercially reasonable if such sale is advertised once, not less than seven (7) days nor more than twenty (20) days, prior to the date of sale, in the classified advertising section of a daily or weekly newspaper circulated in the community where the sale is to be held, or as otherwise required by law.
- 9.) At the request of Secured Party, Debtor will execute such forms, documents and titles as are considered necessary by the Secured Party to properly give notice of this Security Agreement, record and perfect its interest, including without limitation such Uniform Commercial Code Financing Statements, Motor Vehicle Certificates of Title, Aircraft Bills of Sale, Conveyances and Applications, or Interstate Commerce Commission recordation documents, as the Secured Party in its sole discretion requires. Debtor hereby grants Secured Party a Power of Attorney and authorizes and empowers Secured Party to execute all said forms, documents and titles and make necessary corrections thereto to give proper notice of this Security Agreement and record and perfect its security interest in the Collateral. Provided however, that nothing contained herein shall be construed to impose upon the Secured Party a duty to protect the Debtor's interest by recording any document or title.
- 10.) Debtor shall in all instances comply with all applicable laws of the United States and the several states respective to the use, operation, maintenance, and control of the Collateral; and shall further comply with all regulations issued pursuant to such laws, including without limitation the Regulations of the Federal Aviation Authority, Civil Aeronautics Board, and the Interstate Commerce Commission.
- 11.) If more than one Debtor executes this Agreement, the word Debtor herein and all words used with reference to Debtor shall be deemed to be plural, and their obligations shall be joint and several.
- 12.) Each person who joins in executing this Agreement and any note or notes secured thereby, hereby agrees and expressly assents, to the liability of their separate property for all their debts and obligations herein mentioned.

SECRETARY'S CERTIFICATE

I, Elizabeth W. Treadwell, do hereby certify that I am the Secretary of James L. Treadwell Co., a corporation organized and existing under and by virtue of the laws of the State of California having its principal place of business in the City of San Francisco, State of California.

That at a special meeting of the Board of Directors of said corporation, duly and regularly called, convened and held in accordance with its bylaws and the laws of said State on the 5th day of March, 1976, at which a quorum for the transaction of business was present and acting throughout, the following resolution was duly and regularly adopted:

"RESOLVED, that the President (officer) and Vice President (officer) of this corporation, or any one of them, be and they are hereby authorized to sell equipment, negotiate loans and enter into leases or a master lease and any supplements thereto from time to time for and on behalf of this corporation with ITT Industrial Credit Company, a Nevada corporation, in such amounts and upon such terms and with such security including a security interest in real estate as said officer or officers shall deem to be in the best interests of the corporation and said officer or officers are hereby authorized and empowered to enter into any agreement renewing, extending, altering, amending or modifying said agreements and contracts at any time from time to time and to execute, for and on behalf of this corporation promissory notes, security agreements, real estate mortgages, leases, master leases and supplements, financing statements, subordination agreements, and such other documents and instruments as may be required by the lender or lessor to effectuate such agreements and contracts."

I further certify that said resolution is not contrary to the Articles of Incorporation or bylaws of said corporation and has not been modified, repealed or rescinded but is in full force and effect and that the authority granted herein shall continue in effect until rescinded in writing delivered to ITT Industrial Credit Company.

I further certify that James L. Treadwell, Sr. is President (name) (officer) and James L. Treadwell, Jr. is Vice President (name) (officer) of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 29th day of July, 1982.

(Corporate Seal)

Betty Treadwell
Secretary

Witness:

