

VALLEY NATIONAL BANK

420 NORTH BRAND BOULEVARD / P.O. BOX 950 / GLENDALE, CALIFORNIA 91203 / PHONES: 246-6741 - 245-8811

213

Interstate Commerce Commission
12 and Constitution Avenue N.W. **3-05A091**
Washington, D. C. 20423

Valley National Bank, Glendale
(LEGAL OWNER)

Attention: Mildred Lee

139197A
REGISTRATION NO. 139197A
FILED
JAN 5 1983
100.00

Dated _____
Recording pursuant to provisions of
Sec. 20C of Interstate Commerce Act
Valley National Bank, Glendale

(MORTGAGE HOLDER) 139197A

202 275 7087

Gentlemen: JAN 5 1983 - 10 30 AM
Washington, D. C.

JAN 5 1983 - 10 30 AM

INTERSTATE COMMERCE COMMISSION
We have enclosed for recording, pursuant to the provisions of Sec. 20C of the Interstate
Commerce Act, three copies of an invoice by California Railcar Corporation to
Clarence E. Carpenter dated December 23, 1982

In addition, for recording with this invoice, there is attached a Security Agreement cover-
ing the equipment being financed by Valley National Bank, Glendale. In connection with the
recording of this invoice and Security Agreement dated December 23, 1982
the following information is set forth in accordance with the provisions of Sec. 57.4 of
the Commission's order of July 28, 1952, as amended:

Name & Address of Mortgagor/
Registered Owner:

Name & Address of Mortgagee/
Legal Owner:

Clarence E. Carpenter
4646 Noble Ave.
Sherman Oaks, CA 91403

Valley National Bank
420 North Brand Blvd.
Glendale, CA 91203

RECEIVED
JAN 5 10 22 AM '83
C.C. CORPORATION BR.

General description of equipment covered by lease arrangement and mortgage:

One (1) 100 Ton Roller Bearing DOT 111A100W1 Exterior Coiled and Insulated
Car CALX 3031.

Equipment managed and operated by California Railcar Corporation, 1510 West Verdugo Avenue,
Burbank, California 91506. When recording has been completed, please return two
counterparts of the instrument, with recording date endorsed thereon, to Valley National
Bank, 420 North Brand Boulevard, Glendale, California 91203

Valley National Bank, Glendale

cc: California Railcar Corp.
Borrower
File

SECURITY AGREEMENT
(BANK NOT TO BE IN POSSESSION)

GOODS—Consumer Goods, Equipment, Farm Products and Timber under Contract to be Cut and Removed.

In consideration of the covenants and agreements contained herein, and financial accommodations given, to be given or continued, the undersigned Borrower hereby, pursuant to the California Uniform Commercial Code, grants to the Secured Party (Bank) a security interest in all of the Collateral described in paragraph 3 herein. The security interest created by this Agreement attaches immediately upon execution hereof or as soon as Borrower acquires rights to the Collateral and secures payment of any and all of Borrower's indebtedness (including all debts, obligations, or liabilities now or hereafter existing, absolute or contingent, and future advances) to Bank.

RECORDATION No. 13910 Filed 12/25

1. BORROWER(S)

a. Clarence E. Carpenter JAN 5 1983 10 30 AM 549 05 1883
Name Social Security or Employer Number

b. INTERSTATE COMMERCE COMMISSION
Trade Name (if any)

c. 4646 Noble Ave. Sherman Oaks California 91403
Mailing Address City State Zip

d. Chief Place of Business City State Zip

e. Residence (individuals) City State Zip

2. SECURED PARTY—Name and Mailing Address (Transit and A.B.A. No.)

Valley National Bank 420 N. Brand Blvd., Glendale, CA 91203 90-1865/1222

3. COLLATERAL DESCRIPTION (AND LOCATION):

One 100 Ton Roller Bearing DOT 111A100W1 Exterior Coiled and Insulated Tank Cars - 23,500 Gallon Capacity CALX 3031

This is a certified true copy of the original
VALLEY NATIONAL BANK
BY [Signature]
Authorized Signature

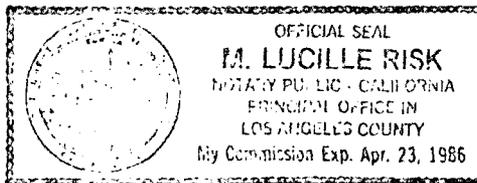
STATE OF CALIFORNIA
COUNTY OF Los Angeles } ss.

On December 30, 1982 before me, the undersigned, a Notary Public in and for said State personally appeared Clarence E. Carpenter

_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person is whose name subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

Signature M. Lucille Risk
M. Lucille Risk
Name (Typed or Printed)



(This area for official seal)

Acknowledgment — Individual

for the use of, Collateral.
rein as if set forth fully at

1982

OWER(S)

SECURITY AGREEMENT
(BANK NOT TO BE IN POSSESSION)

I. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents that:

1. **Borrower's Title**—Except as specified herein, Borrower has, or upon acquisition will have, title to all Collateral and no other person, entity, agency, or government has or purports to have, or upon acquisition will have, any right, title, lien, encumbrance, adverse claim, or interest in any Collateral.
2. **Borrower's Authority**—Borrower has authority to enter into the Agreement and any person signing it on Borrower's behalf has been duly authorized to execute the Agreement for Borrower.
3. **Information**—Any and all information now or hereafter supplied to Bank by Borrower, or at Borrower's request or instruction is correct.

II. COVENANTS AND AGREEMENTS. Borrower covenants and agrees that:

1. **Payment**—Borrower will pay any of Borrower's Indebtedness to Bank promptly when due and Borrower will repay immediately and without demand, all expenses (including reasonable attorneys' fees, legal expenses and costs) incurred by Bank under the Agreement with interest at the legal rate from the date of expenditure.
2. **Financial Condition**—Borrower will not commence nor permit to continue any proceeding in bankruptcy, receivership, or similar proceedings concerned with involuntary liquidation, reorganization or dissolution or arrangements with creditors, nor will it commit any act of bankruptcy, nor make an assignment for creditors, or become insolvent.
3. **Additional Information**—Borrower will, upon Bank's demand, establish the correctness of any information supplied to Bank and will promptly notify Bank of any adverse changes in any information supplied to Bank and of any change in Borrower's residence, chief place of business or mailing address, and of any change of address to which notices should be sent.
4. **Additional Documents**—Borrower will execute any additional agreements, assignments or documents that may be deemed necessary or advisable by Bank to effectuate the purpose of the Agreement.
5. **Location and Identification**—Borrower will keep the Collateral separate and identifiable and at the location described herein and will not remove the Collateral from that location without the Bank's written consent.
6. **Sale, Lease, or Disposition**—Except as specified herein, Borrower will not, without written consent of Bank, sell, encumber or otherwise dispose of or transfer any Collateral or interest therein or permit or suffer any such disposition or transfer until the Indebtedness to Bank has been completely discharged.
7. **Maintenance, Repair, Use and Inspection**—Borrower will maintain and repair the Collateral; will use the Collateral lawfully and only within insurance coverage; will not use the Collateral so as to cause or result in any waste, unreasonable deterioration or depreciation; and will permit Bank to enter on Borrower's property and to inspect the Collateral at any reasonable time.
8. **Cultivation and Animal Husbandry**—If the Collateral is timber, crops or livestock, Borrower will protect and cultivate, or husband the Collateral using methods of cultivation and animal husbandry acceptable to Bank.
9. **Insurance**—Borrower will insure the Collateral, with Bank as Loss Payee, in form and amount, with companies, and against risks and liability satisfactory to Bank and here by assigns the policies to Bank, agrees to deliver them to Bank at Bank's request, and authorizes Bank to make any claim thereunder, to cancel the insurance upon default, and to receive payment of and endorse any instrument in payment of loss or return premium or other refund or return.
10. **Decrease in Value of Collateral**—Borrower will, if in the Bank's judgment the Collateral has materially decreased in value, either provide enough additional collateral to satisfy the Bank or reduce the total indebtedness by an amount sufficient to satisfy the Bank.
11. **Taxes Assessments Charges Liens Encumbrances**—Borrower will pay when due all taxes, assessments, charges, liens or encumbrances now or hereafter affecting the Collateral, and, if the Collateral is an or attached to realty owned by Borrower, the realty on which the Collateral is located.
12. **Defense of Title**—Borrower at its own cost and expense will appear in and defend any action or proceeding which may affect the Bank's security interest in or Borrower's title to any Collateral.
13. **Appointment of Bank as Attorney in Fact; Reimbursement**—Borrower will and hereby does appoint Bank as Borrower's Attorney in Fact to do any act which Borrower is obligated by the Agreement to do, to exercise such rights as Borrower might exercise, to use such equipment as Borrower might use, and to collect such proceeds as Borrower might collect, all to protect and preserve Bank's rights hereunder and the Collateral. Borrower will immediately reimburse Bank for any expenses Bank may incur while acting as Borrower's Attorney in Fact.
14. **Endorser Surety Guarantor**—Borrower will, if any present endorser, surety, or guarantor, dies or does any act described in covenant 2, either, at Bank's option, pay all of Borrower's Indebtedness or substitute an endorser, surety, or guarantor acceptable to Bank.
15. **Purchase Money**—Borrower will, if Bank, as indicated herein, gives value to enable Borrower to acquire rights in or the use of Collateral, use such value for such purpose.
16. **Married Women**—If any Borrower is a married woman, recourse may be had against her separate property for the Indebtedness.

III. REMEDIES. Borrower understands and agrees that in the event that: (a) Any warranty or representation is false or is believed in good faith by Bank to be false; (b) any covenant or agreement is violated; or (c) Bank in good faith deems itself insecure (because the prospect of payment is impaired; the prospect of performance of any covenant or agreement is impaired; or the value or priority of the security interest is impaired); Bank, in addition to any other rights or remedies provided by law or the Agreement, and to the extent permitted by law, may at its option:

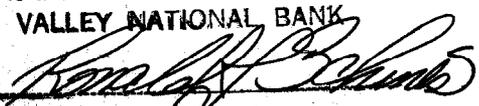
1. **Expenses**—incur expenses (including reasonable attorney's fees, legal expenses and costs) in exercising any right or power under the Agreement.
2. **Require Additional Collateral**—demand that Borrower provide enough additional Collateral to satisfy the Bank.
3. **Performance of Borrower's Obligations by Bank**—perform any obligation of Borrower, and may make payments, purchase, contest or compromise any encumbrance, charge or lien, and pay taxes and expenses.
4. **Set-Off**—exercise all rights of set-off and Banker's lien to the same effect and in the same manner as if no Collateral had been given.
5. **Default**—declare, without notice to the Borrower, that a default has occurred.
6. **Acceleration**—declare, without notice to the Borrower, that the entire Indebtedness is immediately due and payable.
7. **Possession**—if not then in possession of the Collateral, take possession of and protect the Collateral; require the Borrower or other person in possession to assemble the Collateral and make it available to Bank at a reasonably convenient place to be designated by Bank; render the Collateral unusable without removing it; and enter upon such lands and properties where the Collateral might be located.
8. **Notice**—notify other interested persons or entities of the default, acceleration and other actions of the Bank.
9. **Suit, Retention or Disposition of Collateral, Application of Proceeds**—sue the Borrower or any other person or entity liable for the Indebtedness; retain the Collateral in satisfaction of the obligation and Indebtedness; dispose of the Collateral; and apply the proceeds of disposition, including provision for reasonable attorneys' fees and legal expenses incurred by Bank; all as provided by law.

IV. RULES TO CONSTRUCE AGREEMENT. Borrower understands and agrees that:

1. **Time of Essence**—Time is of the essence of the Agreement.
2. **Waiver**—Bank's acceptance of partial or delinquent payments or failure of Bank to exercise any right or remedy shall not be a waiver of any obligation of Borrower or right of Bank nor constitute a modification of the Agreement, nor constitute a waiver of any other similar default subsequently occurring.
3. **Entire Agreement**—The Agreement contains the entire security agreement between Bank and Borrower.
4. **Assignments, etc.**—The provisions of the Agreement are hereby made applicable to and shall inure to the benefit of Bank's successors and assigns and bind Borrower's heirs, legatees, devisees, administrators, executors, successors and assigns.
5. **Law Governing**—Subject to the terms hereof, this Agreement shall be construed and governed by the laws of the State of California.
6. **Multiple Borrowers**—When more than one Borrower signs the Agreement all agree:
 - a. **Construction**—that whenever "Borrower" appears in the Agreement it shall be "each Borrower."
 - b. **Breach**—that breach of any covenant or warranty by any Borrower may, at the Bank's option, be treated as a breach by all Borrowers.
 - c. **Liability**—that the liability of each Borrower is joint and several and the discharge of any Borrower for any reason other than full payment, or any extension, forbearance, change of rate of interest, or acceptance, release or substitution of security or any impairment or suspension of Bank's remedies or rights against one Borrower, shall not affect the liability of any other Borrower.
 - d. **Waiver**—all Borrowers waive the right to require the Bank to proceed against one Borrower before any other or to pursue any other remedy in Bank's power.

This is a certified true copy of the original
VALLEY NATIONAL BANK

By


Authorized Signature

This is a certified true copy of the original
VALLEY NATIONAL BANK
BY *[Signature]*
Authorized Signature

Valley National Bank

INSTALLMENT NOTE: (COMBINED PRINCIPAL AND INTEREST)

\$ 50,000.00 Glendale, California, December 23, 19 82 Loan No. _____

TO: VALLEY NATIONAL BANK
420 N. Brand Blvd.
Glendale, California 91203

For value received, I promise to pay to you or your order, the principal sum of FIFTY THOUSAND AND NO/100
dollars (\$ 50,000.00) and interest at the rate of FIFTEEN AND ONE HALF

percent (15.5 %) a year on the decreasing balance of this principal amount until it is fully repaid. This interest is to be calculated on the basis of a 365-day year and on the actual number of days the principal balance has been outstanding. I will pay you this principal and interest in 60 59 installments of EIGHT HUNDRED TWENTY TWO AND 06/100 (\$ 822.06) or more on the 23rd day of each month, beginning on the 23rd day of January, 1983 and on December 23 1987 I will pay you the entire unpaid principal balance and any interest then due. Principal and interest shall be payable in lawful money of the United States.

When I make a payment, you are to apply it as follows: First, to pay the interest accruing since my last payment was received; next, to any late charges then due; any remaining amount of the payment to repayment of the principal balance. I may prepay this note in full or in part at any time. If I prepay it in full and the total interest paid on the note is less than \$50, I will pay you a prepayment premium, which will be the difference between the amount of interest paid on the note and \$50. I will pay you a late charge whenever you do not receive my full payment by your first banking day which is at least ten days after the due date. That late charge shall be a collection charge of five cents (5c) for each dollar so in default, but such charge shall not exceed ten dollars (\$10.00). Despite anything else in this note, if I am late with any payment on this note, or if I file any petition under the bankruptcy laws of the United States or one is filed against me, you can make this note immediately due and payable without giving me any advance notice. If you do so, I will immediately pay you all of the remaining principal balance, even if it would not otherwise have been due, plus all unpaid interest and all late charges. If you must sue me to collect this note I will pay whatever attorney fee's the court finds reasonable. If you refer collection of this note to your collection facilities or to a collection agency, I will pay you a reasonable collection charge. The makers, sureties, guarantors and endorsers of this note hereby consent to renewals and extensions of time at or after the maturity hereof and I hereby waive diligence, presentment, protest and demand and notice of every kind and (to the full extent permitted by law) the right to plead any statute of limitations as a defense to any demand hereunder or in connection with any security hereof, and I hereby agree that no failure on the part of the holder of this note to exercise any power, right or privilege hereunder, or to insist upon prompt compliance with the terms hereof, shall constitute a waiver thereof, time being of the essence hereof. If more than one person signs this note, we will be jointly and severally liable. You may collect from and sue any one or more of us without giving up any of your rights against the others.

Executed on the date indicated above.

X *[Signature]* 4646 Noble Ave., Sherman Oaks, CA 91403
SIGNATURE NO., STREET, CITY, STATE & ZIP CODE

Clarence E. Carpenter
SIGNATURE NO., STREET, CITY, STATE & ZIP CODE

CHICAGO TITLE INSURANCE COMPANY

Staple

STATE OF CALIFORNIA
COUNTY OF Los Angeles } SS.

On January 11, 1982 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared

Charlene E. Carpenter

- personally known to me;
- proved to me on the basis of satisfactory evidence,
whose name she subscribed to the within instrument and
acknowledged that she executed the same.

Signature Vera D. Mundt

VERA D. MUNDT
Name (Typed or Printed)

Notary Public in and for said County and State

Staple

This is a certified true copy
 VALLEY NATIONAL BANK
 BY [Signature]
 Authorized Signature



FOR NOTARY SEAL OR STAMP