

REGISTRATION NO. 14076 Filed 1983 A

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JUN 24 1983 3 45 PM VALLEY NATIONAL BANK JUN 24 1983 -3 45 PM

INTERSTATE COMMERCE COMMISSION 420 NORTH BRAND BOULEVARD / P.O. BOX 950 / GLENDALE, CALIFORNIA 91203 INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12 and Constitution Avenue N.W.
Washington, D. C. 20423

Valley National Bank, Glendale

(LEGAL OWNER)

Dated June 14, 1983

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

(MORTGAGE HOLDER)

Attention: Mildred Lee

No. 3-175A041

Date JUN 24 1983

REGISTRATION NO. 14076 Filed 1983

Fee \$ 150.00

Gentlemen: JUN 24 1983 -3 45 PM ICC Washington, D. C.

We have enclosed pursuant to the provisions of Sec. 20C of the Interstate Commerce Act, three copies of an invoice by California Railcar Corporation to Leon M Timms and Lynn Timms dated April 25, 1983

In addition, for recording with this invoice, there is attached a Security Agreement covering the equipment being financed by Valley National Bank, Glendale. In connection with the recording of this invoice and Security Agreement dated June 14, 1983 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:

Leon M. Timms and Lynn Timms

636 Amherst Drive

Burbank, CA 91504

Name & Address of Mortgagee/
Legal Owner:

Valley National Bank

420 North Brand Blvd.

Glendale, CA 91203

General description of equipment covered by lease arrangement and mortgage.

Two (2) 100 Ton Roller Bearing DOT 111A100W1 exterior coiled and insulated tank cars---
23,500 gallon capacity. Serial No. CALX 3044 & CALX 3045

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

Vera Mundt
Vera Mundt
Asst. Cashier

RECEIVED
JUN 24 3 37 PM '83
I.C.C.
OPERATION BR.

cc: California Railcar Corp.
Borrower
File

Interstate Commerce Commission
Washington, D.C. 20423

6/24/83

OFFICE OF THE SECRETARY

Vera Mundt
Asst. Cashier
Valley Natl. Bank
420 North Brand Blvd.
Glendale, Calif. 91203

Dear Ms. Mundt :

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/24/83 at 3:45pm , and assigned re-
recording number (s). 14076, 14076-A, 14076-B

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

TO: VALLEY NATIONAL BANK
420 No. Brand Blvd.
Glendale, California 91203

JUN 24 1983 - 3 45 PM

INTERSTATE COMMERCE COMMISSION
INSTALLMENT NOTE (COMBINED PRINCIPAL AND INTEREST)

For value received, I promise to pay to you or your order, the principal sum of EIGHTY THOUSAND AND NO/100 dollars (\$ 80,000.00) and interest at the rate of _____ percent (13.50 %) 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 59 installments of ONE THOUSAND TWO HUNDRED EIGHTEEN AND 13/100 (\$ 1,218.19) or more on the fifteenth day of each month, beginning on the 15th day of July, 19 83 and on June 15, 19 88 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.

one (1) payment \$53,559.33 approximately.
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 (5¢) 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. This note is secured by the security agreement hereinafter set forth.
Executed on the date indicated above.

COMPANY _____
ADDRESS _____
BY X [Signature] SIGNATURE Leon M. Timms
BY X [Signature] SIGNATURE Lynn Timms

NAME (INDIVIDUAL) _____
636 Amherst Dr., Burbank, CA 91504
NAME (INDIVIDUAL) _____
636 Amherst Dr., Burbank, CA 91504
ADDRESS _____

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, in 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, future advances, and all other amounts due or to become due hereunder) to Bank.

1.	BORROWER'S NAME	<u>Leon M. Timms</u>	SOC. SEC. NO.	
	ADDRESS	<u>636 Amherst Dr., Burbank, CA 91504</u>		
2.	BORROWER'S NAME	<u>Lynn Timms</u>	SOC. SEC. NO.	
	ADDRESS	<u>636 Amherst Dr., Burbank, CA 91504</u>		
3.	BORROWER'S NAME		SOC. SEC. NO.	
	ADDRESS			
	TRADE NAME (IF ANY)			
	MAILING ADDRESS			
4.	CHIEF PLACE OF BUSINESS			
	SECURED PARTY - NAME	<u>Valley National Bank</u>		
	MAILING ADDRESS	<u>420 No. Brand Blvd., Glendale, CA 91203</u>		
5.	TRANSIT AND ABA NO.	<u>90-1865/1222</u>		
	COLLATERAL DESCRIPTION AND LOCATION: <u>Two (2) 100 Ton Roller Bearing DOT 111A100W1 exterior coiled and insulated tank cars--- 23,500 gallon capacity. Serial No. CALX 3044 & CALX 3045</u>			
6.	PURCHASE MONEY SECURITY INTEREST: If indicated by Borrower's initials, Bank is giving value to enable Borrower to acquire rights in, or the use of, Collateral. _____ BORROWER'S INITIALS			
7.	INCORPORATION OF PROVISIONS ON REVERSE: All provisions on the reverse side are incorporated herein as if set forth fully at this point.			

COMPANY _____
ADDRESS _____
BY X [Signature] SIGNATURE Leon M. Timms
BY X [Signature] SIGNATURE Lynn Timms

NAME (INDIVIDUAL) _____
636 Amherst Dr., Burbank, CA 91504
NAME (INDIVIDUAL) _____
636 Amherst Dr., Burbank, CA 91504
ADDRESS _____

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, contract to sell, lease, encumber, or dispose of the Collateral 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 hereby 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 on 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. **Purpose of Collateral**—Borrower hereby certifies that the Collateral is being used for the purpose of the purchase of real estate and that the value of the Collateral, under such value for such purpose.

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 aggrieved (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 remedies provided by law or the Agreement, and to the extent provided by law, may:

1. **Expenses**—incur expenses (including reasonable attorney's fees, legal expenses and costs) to exercise 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**—(but need not) perform any obligation of Borrower, and may (but need not) 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**—use 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 CONSTRUE 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. **Multiple Borrowers**—When more than one Borrower signs the Agreement all agree:
 - a. **Construction**—that whenever "Borrower" appears in the Agreement it shall be read "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.

BANK'S INITIALS: _____
BORROWER'S INITIALS: _____
DATE: _____
SIGNATURE: _____
BORROWER: _____