



RECORDATION NO **17869** FILED 1423

July 9, 1992

JUL 14 1992 - 10 10 AM

Interstate Commerce Commission
12th & Constitution N.W.
Washington D.C. 20423

INTERSTATE COMMERCE COMMISSION 2-196A016

Recordation Unit

Re: Security Agreement for Proflame

Please record the enclosed security agreement.

The addresses for the participating parties are: Proflame, Inc, P.O. Box 5069, Novato, CA 94948 & Bank of America, formerly known as Security Pacific National Bank, Box 1079, Oakland, CA 94604.

Please return to recorded copy to the address listed below:

Bank of America NT & SA
Attn: Joann Gilbert
Credit Support Center #1591
141 Mission Falls Lane
Fremont, CA 94539

JUL 14 10 09 AM '92
MOTOR OPERATING UNIT

Sincerely,

JoAnn Gilbert
Authorized Officer
(510) 683-5723

Enclosure
0102:12

*Mrs. Ford,
Here is the copy you requested to
complete our recordation. Thanks!*



July 3, 1992

Interstate Commerce Commission
12th & Constitution N.W.
Washington D.C. 20423

Recordation Unit

Re: Security Agreement for Proflame

Please record the enclosed security agreement.

Please return to recorded copy to the address listed below:

Bank of America NT & SA
Attn: Joann Gilbert
Credit Support Center #1591
141 Mission Falls Lane
Fremont, CA 94539

Sincerely,



JoAnn Gilbert
Authorized Officer
(510) 683-5723

Enclosure
0102:12

Interstate Commerce Commission
Washington, D.C. 20423

7/15/92

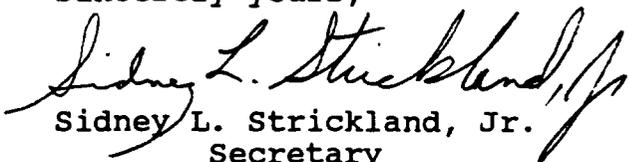
OFFICE OF THE SECRETARY

Bank Of America NT &SA
Attn: Joann Gilbert
Credit Support Center #1591
141 Mission Falls Lane
Fremont, CA. 94539

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 7/14/92 at 10:10am, and assigned recordation number(s). 17869

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17869

RECORDATION NO _____ FILED 1425

JUL 14 1992 - 10 10 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT is entered into by and between PROFLAME, INC. a Nevada corporation (herein called "Borrower"), and SECURITY PACIFIC NATIONAL BANK, a national banking association (herein called "Bank").

1. As used in this Agreement, the following terms shall have the following meanings:

"Collateral" is defined in paragraph 2 of this Agreement.

"Credit Agreement" means that certain credit agreement dated as of April 1, 1989 by and among the Borrower, certain other parties which, together with Borrower, are collectively designated therein as "Borrowers," and the Bank, as the same be amended or amended and restated from time to time.

"Obligations" means all loans, advances, acceptances, drafts, drawings under any letter of credit, debts, liabilities, obligations, lease payments, guarantees, covenants and duties owing by Borrower to Bank of any kind and description (whether or not evidenced by this Agreement, any note or other instrument or any other agreement between Bank and Borrower and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether owing solely by Borrower or jointly or jointly and severally by Borrower with others, including, without limitation, (a) any debt, liability or obligation owing from Borrower to others which Bank may have obtained by assignment or otherwise, (b) all interest and Bank costs and fees which Borrower is required to pay or reimburse by this Agreement, and (c) all obligations of Borrower to Bank under the Credit Agreement.

Any words or phrases appearing in this Agreement and not defined herein shall be defined where applicable in accordance with the various definitions set forth in the California Uniform Commercial Code.

2. As security for any and all of Obligations of Borrower to Bank, Borrower hereby grants to Bank a security interest in the following property (collectively, "Collateral"): (a) Seven Union Tank railcars, model DOT 105J300W complete, Road Numbers CGSX 4 through 10, inclusive, with corresponding stamped numbers 6704-1 through

6704-7, inclusive (the "Cars"), and all appliances, parts, accessories and equipment now or hereafter incorporated or installed in or attached to the Cars, along with all substitutions for or replacements of any of the foregoing;

(b) All claims, rights, powers, privileges and remedies on the part of Borrower with respect to any agreement at any time entered into between Borrower and any other person or entity in connection with the Cars, including without limitation any lease of any of the Cars; and

(c) All proceeds received or receivable from the sale, exchange, lease or other disposition of any of the foregoing, whether such disposition is voluntary or involuntary, including without limitation all rights to payment, including returned premiums, with respect to any insurance relating to any of the foregoing, and all rights to payment with respect to any cause of action affecting or relating to any of the foregoing, together with full power and authority, in the name of the Bank or Borrower or otherwise, or as attorney-in-fact hereby irrevocably constituted, to enforce, collect and receive, and receipt for, in accordance with the terms and conditions hereinafter set forth any and all of the foregoing rights and sums assigned, or entitled to be received pursuant to other rights assigned.

3. Borrower represents and warrants to Bank:

3.1 Borrower is, or at the time the Collateral becomes subject to Bank's security interest will be, the true and lawful owner of the Collateral, and has, or at the time the Collateral becomes subject to the Bank's security interest will have, good and clear title to the Collateral, which is, or at the time the Collateral becomes subject to Bank's security interest will be, free and clear of all other liens and encumbrances;

3.2 Any and all financial information, including information relating to the Collateral, submitted by Borrower to Bank, whether previously or in the future, is or will be true and correct to the best of Borrower's knowledge after customary review;

3.3 So long as any of the Obligations is outstanding, the representations and warranties contained herein shall have a continuing effect.

4. Borrower will:

4.1 Furnish Bank from time to time such financial statements and information as Bank may reasonably request and inform Bank immediately upon the occurrence of a material adverse change therein;

4.2 Promptly notify Bank of any attachment or other legal process levied against any of the Collateral and any information received by Borrower relative to the Collateral, which may in any way affect the value of the Collateral or the rights and remedies of Bank in respect thereto;

4.3 Reimburse Bank upon demand for any and all legal costs, including reasonable attorneys' fees, and other expense incurred in collecting any sums payable by Borrower under Borrower's Obligations secured hereby, enforcing any term or provision of this Agreement or otherwise or in the checking, handling and collection of the Collateral and the preparation and enforcement of any agreement relating thereto;

4.4 Provide, maintain and deliver to Bank policies insuring the Collateral against loss or damage by such risks and in such amounts, forms and companies as Bank may require and with loss payable solely to Bank, and, in the event Bank takes possession of the Collateral, the insurance policy or policies and any unearned or returned premium thereon shall at the option of Bank become the sole property of Bank, such policies and proceeds of any other insurance covering or in any way relating to the Collateral, whether now in existence or hereafter obtained being hereby assigned to Bank;

4.5 Do all acts necessary to maintain, preserve and protect all Collateral, keep all Inventory in good condition and repair and not to cause any waste or unusual or unreasonable depreciation thereof;

4.6 Pay before delinquency all taxes, assessments and liens now or hereafter imposed upon the Collateral or any portion thereto.

4.7 Do all acts necessary to maintain, preserve and protect the Collateral and to keep the Collateral in good condition and repair, not cause or permit any waste or unusual or unreasonable depreciation thereof or any act for which the Collateral might be confiscated;

4.8 Execute and deliver to Bank such assignments, notices, financing statements, or other documents and papers as Bank may require, or give any third party, including the account debtors obligated on the Accounts, notice of Bank's interest in the Collateral.

4.9 Perform and comply with each and every term of any agreement entered into between Borrower and any other person or entity in connection with the Cars;

4.10 Without the prior written consent of the Bank, not enter into any agreement for the lease or rental of any of the Cars;

4.11 Not allow the name of any person, association or corporation to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than Borrower or Bank;

4.12 Assure that Borrower at all times has good and valid title to the Cars, and that the Cars at all times are free and clear of any mortgage, pledge, lien, charge or other encumbrance, except such as arise pursuant to the security interest in the Cars granted by Borrower to Bank; and

4.13 Promptly pay or satisfy and discharge any and all sums claimed by any party by, through, under or against Borrower or its successors or assigns which, if unpaid, might become a lien or a charge upon the Cars equal or superior to the title of Bank thereof; provided, however, that Borrower shall not be required to discharge any such claim so long as Borrower shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless, in the judgment of Bank exercised in good faith, Bank shall determine that the rights or interests of Bank will be materially endangered by the non-payment thereof.

5. Until the Obligations secured hereby shall have been repaid in full, Borrower shall not, except in the ordinary course of business, sell, dispose of or grant a security interest in any of the Collateral other than to Bank, or execute any financing statements or security agreements covering the Collateral in favor of any secured party or person other than the Bank.

6. Borrower hereby appoints Bank its true and lawful attorney-in-fact, effective immediately upon the occurrence of a default under paragraph 7 hereof, with full power of substitution, to enforce Borrower's rights under any agreement entered by Borrower in connection with the Cars, and to take any other action which Bank may deem necessary or appropriate to protect and preserve the security interest of Bank in the Collateral.

7. Should: (i) default be made in the payment of any Obligation secured hereby, or breach be made of any warranty, statement, promise, term or condition, contained herein; (ii) any statement or representation made for the purpose of obtaining credit prove false; (iii) Bank deem the Collateral inadequate or unsafe or in danger of misuse; or (iv) default be made under the Credit Agreement; then in any such event, Bank may, at its option and without demand first made, do any one or more of the following:

7.1 Declare all Obligations secured hereby immediately due and payable;

7.2 Immediately take possession of the Collateral wherever it may be found, using all necessary force so to do, or require Borrower to assemble the Collateral and make it available to Bank at a place designated by Bank which is reasonably convenient to Borrower and Bank, and Borrower waives all claims for damages due to or arising from or connected with any such taking and to maintain possession of and dispose of the Collateral on any premises of Borrower or under Borrower's control;

7.3 Proceed in the foreclosure of Bank's security interest and sale of the Collateral in any manner permitted by law or provided for herein;

7.4 Sell, lease or otherwise dispose of the Collateral at public or private sale, with or without having the Collateral at the place of sale, and upon terms and in such manner as Bank may determine, and Bank may purchase same at any such sale;

7.5 Retain the Collateral in full satisfaction of the Obligations secured hereby;

7.6 Exercise any remedies of a secured party under the California Uniform Commercial Code or other applicable law.

Prior to any disposition, Bank may, at its option, cause the Collateral to be repaired or reconditioned in such manner and to such extent as to Bank may seem advisable, and any sums expended therefor by Bank shall be repaid by Borrower and secured hereby. Bank shall have the right to enforce one or more remedies hereunder successively or concurrently, and any such action shall not stop or prevent Bank from pursuing any further remedy which it may have hereunder or by law. If a sufficient sum is not realized from any such dispositions of Collateral to pay all Obligations secured hereby, the Borrower hereby promises and agrees to pay the Bank any deficiency.

8. Nothing herein shall in any way limit the effect of the terms and conditions of any other security or other agreement executed by Borrower (including without limitation that certain Security Agreement dated April 1, 1989 executed by Borrower and certain other entities in favor of Bank), but each and every provision hereof shall be in addition thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of this 19th day of March, 1992.

PROFLAME, INC.

By [Signature]
Title President

STATE OF CALIFORNIA
County of Marin SS.

On this 13th day of May, 1992, before me, the undersigned, a Notary Public, in and for said County and State, duly licensed and sworn, personally appeared

Edward R. Bunting
personally known to me (or proved to me on the basis of satisfactory evidence) to be the

President
of the corporation that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the same.
WITNESS MY HAND AND OFFICIAL SEAL.



[Signature]
Notary Public, State of California

My commission expires April 9, 1993

Acknowledgement - Corporation

On April 6, 1992, before me, the undersigned Notary Public in and for said State, personally appeared ROBERT SEXTON, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the VICE President, and [Signature] personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the N/A Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to it's by laws or a resolution of it's board of directors.

Witness my hand and official seal. [Signature]
Notary signature