

PLM RAILCAR MANAGEMENT INC.  
A Subsidiary of PLM, INC  
50 California Street  
San Francisco, California 94111  
415/989 1860  
Telex 34430

No. 8-002A-233  
Date JAN 3 1979  
Fee \$ 50.<sup>00</sup>  
ICC Washington, D. C.

RECEIVED  
JAN 3 9 00 AM '79  
I. C. C.  
FEE OPERATION BR.

December 21, 1978

Interstate Commerce Commission  
Interstate Commerce Building  
Washington, D. C. 20044

RECORDATION NO. 9985-A Filed 1425  
JAN 3 1979-9 15 AM  
INTERSTATE COMMERCE COMMISSION

RE: PLM Railcar Management, Inc.  
INTERSTATE COMMERCE COMMISSION

Ladies and Gentlemen:

Your are hereby requested to record the original and two certified copies of the enclosed Management Agreement. Enclosed is a check in the amount of \$50.00 in payment of your recordation fee.

Under the Management Agreement, Jose and Carol Alonso who reside at 91 Loma Vista, Orinda, CA 94563 as owner, grants to PLM Railcar Management, Inc., a California corporation, whose principal business address is at 50 California St., San Francisco, CA 94111 the right to manage the equipment hereinafter described in this letter, to collect amount due to or on behalf of owner with respect to such equipment and to disburse funds of owner to pay costs, expenses and obligations of owner with respect to such equipment, all as set forth therein.

The above described agreement relates to railway equipment consisting of one (1) 20,000 gallon capacity funnel flow, sloping bottom, interior coiled, uninsulated low pressure, general purpose, railroad tank car. # 14029

When recorded, the documents should be returned to:

Joseph S. Radovsky, Esq.  
Bronson, Bronson & McKinnon  
555 California Street  
San Francisco, CA 94104

Very Truly yours,  
PLM RAILCAR MANAGEMENT, INC.

By Charles J. Scalet

Enclosure

*Conducting Donna Kelly*

**Interstate Commerce Commission**  
Washington, D.C. 20423

1/3/79

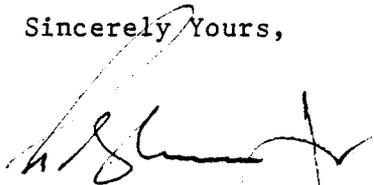
OFFICE OF THE SECRETARY

Joseph S. Radovsky, Esq  
Bronson, Bronson & McKinnon  
555 California Street  
San Francisco, Calif. 94104

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 1/3/79 at 9:15am and assigned recordation number(s) 9985 & 9985-A

Sincerely Yours,



H.G. Homme, Jr.,  
Secretary

Enclosure(s)

SE-30-T  
(2/78)

JAN 3 1979-9 15 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and dated this 26th day of December, 1978, by and between GOLDEN STATE SANWA BANK, a California banking corporation ("Secured Party") and Jose R. Alonso & Carol T. Alonso, an individual ("Debtor").

RECITALS

A. As security for the payment and performance of its obligations to Secured Party under this Security Agreement, it is the intent of Debtor to grant to Secured Party and to create a security interest in certain property of Debtor, as hereinafter provided.

B. This Security Agreement is entered into as security for the indebtedness of Debtor to Secured Party as evidenced by a promissory note of even date herewith in the principle amount of \$ 30,730.00 (the "Note").

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor hereby agrees as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party a security interest in the property described in Paragraph 2 below (collectively and severally, the "Collateral") to secure payment and performance of the obligations of Debtor to Secured Party described in Paragraph 3 below (collectively and severally, the "Obligations").

2. Collateral. The Collateral shall consist of the following:

A. Equipment - One (1) rail cars, as more particularly described on Exhibit A attached hereto, any and all additions or accessions thereto, any substitutions therefor and any proceeds thereof (the "Equipment").

B. All accounts, contract rights, instruments, and other rights of Debtor with respect to the Equipment, including but not limited to, any and all leases of the Equipment; the Management Agreement dated 12-19-78 with respect to the Equipment between Debtor and PLM Railcar Mangement, Inc., a California corporation ("Management Agreement"); any and all rents and other monies which are now or may hereafter be payable to Debtor on account of the Equipment and such agreements; and any and all guarantees, endorsements, warranties, indemnity agreements, maintenance agreements, insurance policies, or other agreements pertaining to such agreements or the Equipment, and any and all monies due or to become due and payable under the foregoing. As used herein, the term "account" shall have the same meaning as set forth in the California Commercial Code.

C. All proceeds of the foregoing Collateral. For purposes of this Security Agreement, the term "proceeds" includes whatever is receivable or received when Collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto, and all rights to payment with respect to any cause of action affecting or relating to the Collateral.

3. Obligations. The Obligations of Debtor secured by this Security Agreement shall consist of any and all debts, obligations and liabilities of Debtor to Secured Party rising out of, connected with or related to the Agree-

ment, including, without limitation, the Note and all amendments or extensions or renewals of the Note, and/or this Security Agreement, whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred.

4. Representations and Warranties. Debtor hereby represents and warrants that:

(a) except as contemplated in the Management Agreement, Debtor is the owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the owner thereof) and that no other person, entity, agency or government has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of security interest or other lien or charge or otherwise) in, against or to the Collateral;

(b) all information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Debtor with respect to the Collateral is true and correct; and

(c) Debtor has the authority to enter into this Security Agreement and to be obligated under the terms of the Note, and any person signing this Security Agreement and/or Note has been duly authorized to sign the same.

5. Covenants of Debtor. In addition to all covenants and agreements of Debtor set forth in the Agreement, which are incorporated herein by this reference, Debtor hereby agrees:

(a) to do all acts that may be necessary to maintain, preserve and protect the Collateral;

(b) not to use or permit any Collateral to be used unlawfully or in violation of any provision of this Security Agreement, or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral;

(c) to pay promptly when due all taxes, assessments, charges, encumbrances and liens now or hereafter imposed upon or affecting any Collateral;

(d) to notify Secured Party promptly of any change in Debtor's name or place of business, or, if Debtor has more than one place of business, its head office, or office in which Debtor's records relating to the Collateral are kept;

(e) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by Secured Party to perfect, maintain and protect its security interest hereunder and the priority thereof and to deliver promptly to Secured Party all originals of Collateral or proceeds consisting of chattel paper or instruments;

(f) to appear in and defend any action or proceeding which may affect its title to or Secured Party's interest in the Collateral;

(g) if Secured Party gives value to enable Debtor to acquire rights in or the use of any Collateral, to use such value for such purpose;

(h) to keep separate, accurate and complete records of the Collateral and to provide Secured Party with such records and such other reports and information relating to the Collateral as Secured Party may request from time to time;

(i) except as contemplated by the Management Agreement, not to surrender or lose possession of (other

than to Secured Party), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein and to keep the Collateral free of all levies and security interests or other liens or charges except those approved in writing by Secured Party;

(j) to keep the Collateral in good condition and repair;

(k) not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral;

(l) at any reasonable time and subject to the rights of any lessees of the Collateral, upon demand by Secured Party, to exhibit to and allow inspection by Secured Party (or persons designated by Secured Party) of the Collateral;

(m) to comply with all laws, regulations and ordinances relating to the possession, operation, maintenance and control of the Collateral;

(n) to keep and operate the Collateral solely within the continental limits of the United States;

(o) to place upon the Collateral appropriate identifying marks to indicate Debtor is owner and Secured Party is financier of the Collateral, if the Lessee of such Collateral requires its own markings on the Collateral;

(p) to insure the Collateral, with Secured Party named as loss payee, in form and amounts, with companies, and against risks and liabilities satisfactory to Secured Party, and Debtor hereby assigns the policies to Secured Party, agrees to deliver them to Secured Party at its request, and agrees that Secured Party may make any claim thereunder, cancel the insurance on default by Debtor, collect and receive payment of and endorse any instrument in payment of loss or return premium or other refund or return, and apply

its option, in addition to its rights under Paragraph 9 above, and without notice to or demand on Debtor and in addition to all rights and remedies otherwise available to Secured Party, do any one or more of the following:

(a) foreclose or otherwise enforce Secured Party's security interest in any manner permitted by law, or provided for in this Security Agreement;

(b) sell, lease or otherwise dispose of any Collateral at one or more public or private sales, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as Creditor may determine;

(c) recover from Debtor all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred or paid by Secured Party in exercising any right, power or remedy provided by this Security Agreement or by law;

(d) require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party;

(e) enter onto property where any Collateral is located and take possession thereof with or without judicial process; and

(f) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent Secured Party deems appropriate and in connection with such preparation and disposition, without charge, use any trademark, tradename, copyright, patent or technical process used by Debtor.

11. Priority of Security Agreement. The Management Agreement and PLM Railcar Management, Inc.'s authority and

rights thereunder, and all leases pertaining to the Collateral are subject and subordinate to Secured Party's security interest in the Collateral, provided, however, Secured Party agrees that (i) so long as PLM Railcar Management, Inc. is not in default under the terms of the Management Agreement, Secured Party will recognize the Management Agreement and PLM Railcar Management, Inc.'s rights thereunder, including the right to collect Gross Revenues as defined therein; and (ii) so long as any lessee of the Collateral is not in default under the terms of its lease with the Debtor, Secured Party will recognize such lease and shall abide by its terms. Secured Party's obligations pursuant to this paragraph are subject to the attornment of said lessee and/or PLM Railcar Management, Inc., as the case may be, to the Secured Party, its successors and assigns. The terms of this paragraph shall be reflected accordingly in all leases pertaining to the Collateral and in the Management Agreement.

12. Waiver of Hearing. Debtor expressly waives any constitutional or other right to a judicial hearing prior to the time Secured Party takes possession or disposes of the Collateral upon default as provided in Paragraphs 9 and 10 hereof.

13. Cumulative Rights. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute or rule of law, the Agreement or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's security interest in the Collateral.

14. Waiver. Any forbearance or failure to delay by Secured Party in exercising any right, power or remedy shall not preclude the further exercise thereof, and

every right, power or remedy of Secured Party shall continue in full force and effect until such right, power or remedy is specifically waived in a writing executed by Secured Party. Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in Secured Party's power.

15. Setoff. Debtor agrees that Secured Party may exercise its rights of setoff with respect to the Obligations in the same manner as if the Obligations were unsecured.

16. Binding Upon Successors. All rights of Secured Party under this Security Agreement shall inure to the benefit of its successors and assigns, and all obligations of Debtor shall bind its heirs, executors, administrators, successors and assigns.

17. Entire Agreement; Severability. This Security Agreement contains the entire security agreement between Secured Party and Debtor. If any of the provisions of this Security Agreement shall be held invalid or unenforceable, this Security Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

18. References. The singular includes the plural. If more than one executes this Security Agreement, the term Debtor shall be deemed to refer to each of the undersigned as well as to all of them, and their obligations and agreements hereunder shall be joint and several. If any of the undersigned is a married person, recourse may be had against his or her separate property for the Obligations.

19. Choice of Law. This Security Agreement shall be construed in accordance with and governed by the laws of the State of California, and, where applicable and except as otherwise defined herein, terms used herein shall have the

meanings given them in the California Uniform Commercial Code.

20. Notice. Any written notice, consent or other communication provided for in this Security Agreement shall be delivered or sent by registered U.S. mail, with postage prepaid, to the following addresses:

Secured Party: GOLDEN STATE SANWA BANK  
626 Wilshire Boulevard  
Los Angeles, CA 90017

Debtor: Jose R. Alonso & Carol T. Alonso  
91 Loma Vista  
Orinda, Calif. 94563

Such addresses may be changed by written notice given as provided herein.

EXECUTED this 26 day of Dec, 1978.

✓ Carol T. Alonso  
✓ Jose R. Alonso  
Debtor

GOLDEN STATE SANWA BANK

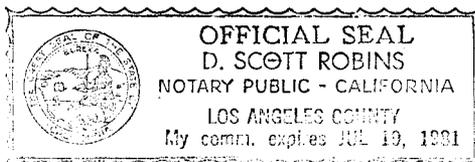
By Allen T. Breakman  
Title: Assistant Cashier  
Secured Party



STATE OF CALIFORNIA        )  
  ) ss:  
COUNTY OF LOS ANGELES    )

On this 20 day of DECEMBER, 1978,  
before me personally appeared Allen T. Breakman  
          , to me personally known, who being by me duly sworn,  
says that he is the Assistant Cashier of Golden State  
Sanwa Bank, that the seal affixed to the foregoing instru-  
ment is the corporate seal of said corporation, that said  
instrument was signed and sealed on behalf of said corpora-  
tion by authority of its Board of Directors, and he acknowl-  
edged that the execution of the foregoing instrument was the  
free act and deed of said corporation.

[Seal]



D. Scott Robins  
Notary Public

My commission expires  
July 19, 1981

EXHIBIT A

One \_\_\_\_\_ ( 1 ) 20,000  
capacity, funnel flow, sloping bottom, interior coiled,  
pressure, general purpose railroad tank car, ICC Road  
Number (s)                     D114X14029                    .