

5847-C
RECORDATION NO. 5847-C Filed & Recorded

THIRD SUPPLEMENTAL
SECURITY AGREEMENT

JAN 28 1971 -9 50 AM

INTERSTATE COMMERCE COMMISSION

This Third Supplemental Security Agreement dated as of January 25, 1971 from George D. MacKay and Edward E. Castans, Co-Trustees under a Trust Agreement dated as of February 13, 1970 (the "Debtor"), whose Post Office address is 1211 West 22nd Street, Oak Brook, Illinois 60521 to Los Angeles County Employees Retirement Association (the "Secured Party") having its principal office at 437 Hall of Administration, 500 West Temple, Los Angeles, California 90012;

RECITALS:

A. The Debtor has heretofore executed and delivered that certain Security Agreement dated as of February 13, 1970, as heretofore supplemented (the "Original Security Agreement") to the Secured Party as security for the payment in full of all principal of and interest on the 11-1/4% Secured Notes of the Debtor (the "Notes") issued under and pursuant to the Loan Agreement dated as of February 13, 1970 between the Debtor and the Secured Party.

B. The Original Security Agreement was filed for record in the office of the Secretary of the Interstate Commerce Commission at 10:25 A.M. on October 8, 1970 and assigned Recordation Number 5847, the First Supplemental Security Agreement supplementing the same was filed for record in said office at 10:05 A.M. on November 17, 1970 and assigned Recordation Number 5847-A, and the Second Supplemental Security Agreement supplementing the same was filed for record in said office at 10:00 A.M. on December 17, 1970 and assigned Recordation Number 5847-B.

C. The Debtor desires to reconvey and to confirm the lien and security interest created by the Original Security Agreement in respect of the properties therein described.

CONFIRMATION OF GRANT OF SECURITY

The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all the covenants and conditions contained

(Illinois Terminal Trust No. 2)

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INTERSTATE COMMERCE COMMISSION

in the Notes, the Original Security Agreement and said Loan Agreement, and in each and every agreement or supplement thereto heretofore or hereafter executed, does hereby sell, convey, warrant, mortgage, assign, pledge, grant a security interest in, and hypothecate unto the Secured Party, its successors and assigns, forever, all and singular the following described properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

Section 1.1. Equipment Collateral. Collateral includes the equipment described in Schedule I attached hereto and made a part hereof (hereinafter referred to collectively as the "Equipment" and individually as "Item of Equipment") constituting the Equipment leased and delivered under that certain Equipment Lease dated as of February 13, 1970 (the "Lease") between the Debtor, as Lessor, and Illinois Terminal Railroad Company, a Delaware corporation, as Lessee (the "Lessee"); together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment together with all the rents, issues, income, profits and avails therefrom, but excepting and reserving, however, the initial installment of Periodic Rent due under the Lease in respect of the Equipment.

Section 1.2. Other Collateral. Collateral also includes the Lease and all rents and other sums due and to become due thereunder including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment (including all Daily Interim Rental but excepting and reserving, however, the initial installment of Periodic Rent due under the Lease in respect of the Equipment); it being the intent and purpose thereof that the assignment and transfer to the Secured Party of said rents and other sums due and to become due under the Lease shall be effective and operative immediately and shall continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 4 of the Original Security Agreement at all times during the period from and after the date of the Original Security Agreement until the indebtedness secured by the Original Security Agreement, as supplemented, has been fully paid and discharged.

Section 1.3. Limitations to Security Interest. The security interest granted by the Original Security Agreement and this Section 1 is subject to (a) the right, title and interest of the Lessee under the Lease, and (b) the lien of current taxes and assessments not in default, or, if delinquent, the validity of which is being contested in good faith.

Section 1.4. Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness secured by the Original Security Agreement, as supplemented, and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Original Security Agreement and Loan Agreement and the Notes contained, then these presents and the estate hereby and by the Original Security Agreement granted and conveyed shall cease and the Original Security Agreement, as supplemented, shall become null and void; otherwise to remain in full force and effect.

COVENANTS AND WARRANTIES; MISCELLANEOUS.

Section 2.1. The Debtor is lawfully seized and possessed of the Equipment described in Section 1.1 hereof and has good right, full power and authority to convey, transfer and mortgage the Equipment to the Secured Party for the uses and purposes herein set forth; said Equipment described in Section 1.1 is owned by the Debtor free from any and all liens and encumbrances (excepting only the lien of current taxes not in default and the right, title and interest of the Lessee under the Lease); and the Debtor will warrant and defend the title thereto against all claims and demands of persons claiming by, through or under the Debtor (excepting only the right, title and interest of the Lessee under the Lease).

Section 2.2. The Debtor further covenants and agrees to perform and observe duly and punctually all of the covenants and agreements contained in the Original Security Agreement, all such covenants and agreements being hereby ratified, approved and confirmed.

Section 2.3 This Supplement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Supplement.

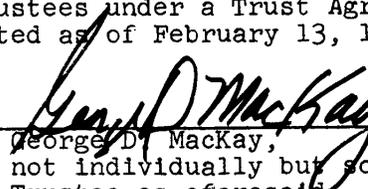
Section 2.4. Effective Date. This Supplement is dated as of January 25, 1971 for convenience of identification and has been

executed by the Debtor on the date shown in the acknowledgment attached hereto, but is delivered by the Debtor to the Secured Party and becomes effective on the date of the filing and recording of this Supplement with the Secretary of the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act.

IN WITNESS WHEREOF, the Debtor has caused this Supplement to be executed all as of the day and year first above written and effective as of the day and year above provided.

George D. MacKay and Edward E. Castans
Trustees under a Trust Agreement
dated as of February 13, 1970

By


George D. MacKay,
not individually but solely as
Trustee as aforesaid

SCHEDULE 1

REBUILDER: The Darby Products of Steel
Plate Corporation

PLANT OF REBUILDER: Kansas City, Kansas

DESCRIPTION OF EQUIPMENT: 300 50'6" Boxcars, Illinois
Terminal Road Numbers ITC9000
through ITC9299, both inclu-
sive, rebuilt from 40'6" Box-
cars by the Rebuilder named
above

(Illinois Terminal Trust No. 2)

STATE OF ILLINOIS }
COUNTY OF DUPAGE } SS

On this 25th day of January, before me personally appeared George D. MacKay, to me known to be the person described in and who executed the foregoing instrument, and he acknowledged that he executed the same as his free act and deed,

Donna Marie Carrigan
Notary Public

(SEAL)

My commission expires: April 17, 1974