

9-094A232

Interstate Commerce Commission  
Washington, D. C.

No. 10252  
Date APR 4 1979 RECORDATION NO. Filed 1425  
Fee \$ 50<sup>00</sup> APR 4 1979 - 2 10 PM  
INTERSTATE COMMERCE COMMISSION  
ICC Washington, D. C.

Gentlemen:

Enclosed for recordation under the provisions of 49 U.S.C. §11303 are the original and eight counterparts of a Security Agreement dated as of January 1, 1979.

A general description of the railroad rolling stock covered by the enclosed document is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties are:

Debtor: Continental Illinois National Bank and Trust Company of Chicago, as Trustee under Dreyfus Trust No. 79-1  
231 South LaSalle Street  
Chicago, Illinois 60693

Secured Party: The Northwestern Mutual Life Insurance Company  
720 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202

The undersigned is the Debtor mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and six copies of the Security Agreement to Ronald E. Roden, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

Very truly yours,

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Dreyfus Trust No. 79-1

By [Signature]  
Its VICE PRESIDENT  
DEBTOR AS AFORESAID

Enclosures APR 4 12 03 PM '79

FEE OPERATION BR. I.C.C.

RECEIVED

*C. J. Kandler*

*[Signature]*

DESCRIPTION OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers</u>
200	100-ton 4750 Cu. Ft. Covered Hopper Cars manufactured by Pullman Incorporated (Pullman Standard Division)	LDCX 20000 through LDCX 20199 both inclusive

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

4/4/79

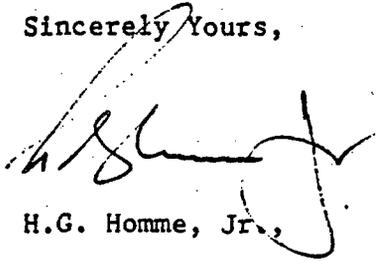
OFFICE OF THE SECRETARY

Ronald E Roden, Esp.  
Chapman And Cutler  
111 West Monroe Street  
Chicago, Illinois 60603

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 4/4/79 at 12:10pm, and assigned recordation number(s) 10252

Sincerely Yours,



H.G. Homme, Jr.,  
Secretary

Enclosure(s)

SE-30-T  
(2/78)

10252

RECORDATION NO. .... Filed 1425

APR 4 1979 - 12 10 PM

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INTERSTATE COMMERCE COMMISSION

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SECURITY AGREEMENT

Dated as of January 1, 1979

FROM

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO,  
not in its individual capacity  
but solely as Trustee

DEBTOR

TO

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

SECURED PARTY

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(Dreyfus Trust No. 79-1)  
(200 Covered Hopper Cars)

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ATTACHMENTS TO SECURITY AGREEMENT:

Schedule 1 - Amortization Schedule

Schedule 2 - Description of Equipment

Exhibit A - Form of 10-1/2% Secured Note

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of January 1, 1979 (the "Security Agreement") from CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, not individually but solely as trustee (the "Debtor") under a Trust Agreement dated as of January 1, 1979 (the "Trust Agreement") with CI Transportation Leasing Corporation, a Delaware corporation (the "Trustor"), the Debtor's post office address being 231 South LaSalle Street, Chicago, Illinois 60693, Attention: Corporate Trust Department, to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY (the "Secured Party"), whose post office address is 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Securities Department;

### R E C I T A L S:

A. The Debtor and the Secured Party have entered into a Participation Agreement dated as of January 1, 1979 (the "Participation Agreement") with the Trustor and Louis Dreyfus Corporation (the "Lessee"), providing for the issue and sale by the Debtor and the purchase by the Secured Party on the date provided therein of the Debtor's Secured Notes (the "Notes") in an aggregate principal amount not to exceed \$4,843,896 to finance a portion of the cost of the Equipment. The Notes are to be dated the date of issue, to bear interest from such date at the rate of 10-1/2% per annum prior to maturity, to be expressed to mature in 216 consecutive monthly installments, including both principal and interest, payable in the manner set forth in the Amortization Schedule attached hereto as Schedule 1, and to be otherwise substantially in the form attached hereto as Exhibit A.

B. The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Participation Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

C. All of the requirements of law relating to the transaction contemplated hereby have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

### SECTION 1. 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, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, 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 covenants and conditions in the Notes and in this Security Agreement and in the Participation Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant the Secured Party, its successors in trust and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof, subject always to the limitations set forth in Sections 1.3 and 1.5 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral"). Nothing in this Section 1 is intended or shall be construed as conveying, warranting, mortgaging, assigning, pledging or granting a security interest in any and all payments due and to become due to the Trustor for its own account pursuant to Section 20.8 of the Equipment Lease hereinafter referred to.

1.1. Equipment Collateral. Collateral includes the railroad equipment described in Schedule 2 attached hereto and made a part hereof (collectively the "Equipment" and individually an "Item" or "Item of Equipment") constituting the Equipment leased and delivered under that certain Equipment Lease dated as of January 1, 1979 (the "Lease") between the Debtor, as lessor, and the Lessee, as 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, except such thereof as remain the property of the Lessee under the Lease, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, except such thereof as remain the property of the Lessee under the Lease, together with all the rents, issues, income, profits and avails therefrom (subject to Section 1.5 hereof).

1.2. Rental Collateral. Collateral also includes all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease, including, without limitation:

(1) the immediate and continuing right to receive and collect all rental, casualty value or termination value payments, insurance proceeds, condemnation awards and other payments, tenders and security (except those sums reserved as Excepted Rights in Collateral under Section 1.5 hereof) now or hereafter payable to or receivable by the Lessor under the Lease pursuant thereto,

(2) the right to make all waivers and agreements and to enter into any amendments relating to

the Lease or any provision thereof except with regard to the right of the Debtor to receive those sums reserved as Excepted Rights in Collateral under Section 1.5 hereof, and

(3) the sole right, subject to Section 5.3 hereof, to take such action upon the occurrence of an Event of Default under the Lease or an event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which the Debtor or any lessor is or may be entitled to do under the Lease;

it being the intent and purpose hereof that, subject always to Excepted Rights in Collateral (as defined in Section 1.5 hereof), the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits 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 all rental, casualty value or termination value payments and other sums for application in accordance with the provisions of Section 4 hereof at all times during the period from and after the date of this Security Agreement until the indebtedness hereby secured has been fully paid and discharged.

1.3. Limitations to Security Interest. The security interest granted by this Section 1 is subject to the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, the validity of which is being contested in good faith, provided that if the Debtor shall contest any such taxes or assessments it shall first establish and maintain a reserve therefor in accordance with generally accepted accounting principles.

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 hereby secured, whether pursuant to Section 5.3(b) hereof or otherwise, and shall observe, keep and perform all the terms and conditions, covenants and agreements to be observed, kept and performed by the Debtor herein and in the Participation Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise, it shall remain in full force and effect.

1.5. Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Security Agreement the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the

supplement to this Security Agreement. The Debtor undertakes to perform only such duties as are expressly and specifically set forth herein and in the other Operative Agreements (as defined in the Participation Agreement) and no implied obligations or covenants shall be read into this Security Agreement or any other Operative Agreements against the Debtor.

2.2. Warranty of Title. The Debtor has the right, power and authority under the Trust Agreement to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Debtor, excepting only Permitted Encumbrances. The Debtor also agrees that it will, in its individual capacity and at its own cost and expense, without regard to the provisions of Section 6 hereof, promptly take such action as may be necessary to duly discharge any liens and encumbrances on the Collateral which result from claims against the Debtor in its individual capacity and not related to the ownership of the Equipment or the administration of the Trust Estate (as defined in the Trust Agreement) or any transactions pursuant to the Operative Agreements (as defined in the Trust Agreement). Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named and which the Debtor has signed, as debtor or mortgagor, now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3. Further Assurances. The Debtor will, upon the request of the Secured Party and at no expense to the Secured Party, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Debtor covenants and agrees that it will, pursuant to Section 16 of the Lease, notify the Lessee of the assignment hereunder and direct the Lessee to make all payments of such rents and other sums due and to become due under the Lease other than Excepted Rights in Collateral directly to the Secured Party or as the Secured Party may direct.

2.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.4 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.3 hereof.

2.5. Recordation and Filing. The Debtor will cause this Security Agreement and all supplements hereto, the Lease and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party in such manner and in such places as may be required by law and as determined by the Secured Party in order fully to preserve and protect the rights of the Secured Party hereunder, and will at no expense to the Secured Party furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of each supplemental Security Agreement an opinion of counsel (which may be counsel for the Lessee) stating that in the opinion of such counsel, this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the security interest intended to be created hereby.

2.6. Modifications of the Lease. The Debtor will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, the Lease (except as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof other than the lien of this Security Agreement;

(b) except in respect of Excepted Rights in Collateral relating to payments of indemnity under Section 20.8 of the Lease, receive or collect any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment; or

(c) except in respect of Excepted Rights in Collateral, sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.7. Power of Attorney in Respect of the Lease. The Debtor does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Sections 1.1 and 1.2 hereof with full power

to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Notice of Default. The Debtor further covenants and agrees that it will give the Secured Party prompt written notice of any event or condition constituting an Event of Default under the Lease if the Debtor has actual knowledge of such event or condition.

2.9. Secured Party's Rights to Make Advances. If the Debtor shall fail to comply with any of its covenants herein, the Secured Party may, but shall not be obligated to, make advances to perform the same and to take all such action as in the Secured Party's opinion may be necessary to obtain such performance. The Debtor agrees to repay all sums advanced by the Secured Party to remedy such default, together with interest at the rate of 11-1/2% per annum. All such sums, together with interest as aforesaid, shall become so much additional indebtedness hereby secured, but no such advance shall be deemed to relieve the Debtor from any default hereunder.

### SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

3.1. Possession of Collateral. While the Debtor is not in default hereunder, it shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease and the Non-disturbance Agreement shall not constitute a violation of this Section 3.1.

3.2. Release of Property. So long as no default referred to in Section 14 of the Lease has occurred and is continuing, the Secured Party shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement pursuant to Section 11 of the Lease upon receipt from the Lessee of written notice designating the Item of Equipment in respect of which the Lease will terminate and the receipt from the Lessee or the Lessor of all sums payable for such Item of Equipment in compliance with Section 11 of the Lease.

3.3. Protection of Purchaser. No purchaser in good faith of property purporting to be released hereunder shall be bound to

ascertain the authority of the Secured Party to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of all or part of the Collateral be under obligation to ascertain or inquire into the conditions upon which any such sale for which a release has been obtained is hereby authorized.

SECTION 4. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

4.1. Application of Rents and Other Payments. As more fully set forth in Section 1.2 hereof, the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no Event of Default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Secured Party which constitute payment by the Lessee under the Lease of the installments of rental under the Lease shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Notes which have matured or will mature on or before the due date of the installments of rental which are received by the Secured Party, and then the balance, if any, of such amounts shall be paid to or upon the order of the Debtor not later than the first business day following the receipt thereof;

(b) The amounts from time to time received by the Secured Party which constitute settlement by the Lessee of the "Casualty Value" for any Item of Equipment pursuant to Section 11 of the Lease shall be applied by the Secured Party as follows:

(i) First, an amount equal to the accrued and unpaid interest, if any, on that portion of the Notes to be prepaid pursuant to the following subparagraph (ii) shall be applied on the Notes;

(ii) Second, an amount equal to the Loan Value of such Item of Equipment for which settlement is then being made shall be applied to the prepayment of the Notes without premium so that each of the remaining installments of each Note shall be reduced in the proportion

that the principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment; and

(iii) Third, the balance, if any, of such amounts held by the Secured Party after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Debtor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

(c) The amounts from time to time received by the Secured Party which constitute settlement by the Lessee for any Item of Equipment in the event of an early termination of the Lease pursuant to Section 11.4 thereof shall be applied by the Secured Party as follows:

(i) First, an amount equal to the accrued and unpaid interest, if any, on that portion of the Notes to be prepaid pursuant to the following subparagraph (iii) shall be applied on the Notes;

(ii) Second, an amount equal to a premium of the principal amount of the Notes then being prepaid, such premium to be in an amount equal to the applicable percentage set forth in the following table of the principal amount of the Notes then being prepaid:

<u>If Prepaid in the 12-month Period Beginning on</u>	<u>Premium (Percentage of Principal Amount)</u>
121st installment payment date	10.5%
133rd installment payment date	9.0%
145th installment payment date	7.5%
157th installment payment date	6.0%
169th installment payment date	4.5%
181st installment payment date	3.0%
193rd installment payment date	1.5%
205th installment payment date	0.0%

(iii) Third, an amount equal to the Loan Value of such Item of Equipment for which settlement is then being made shall be applied to the prepayment of the Notes so that each of the remaining installments of each Note shall be reduced in the proportion that the principal amount of the

prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment; and

(iv) Fourth, the balance, if any, of such amounts held by the Secured Party after making the applications provided for by the preceding subparagraphs (i), (ii) and (iii) shall be released to or upon the order of the Debtor on the date of such payment of the amounts provided in the preceding clauses (i), (ii) and (iii).

(d) The amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by the Lessee in respect of the Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing, the proceeds of such insurance shall, if the Item of Equipment is to be repaired, be released to the Debtor to reimburse the Lessee for expenditures made for such repair upon receipt by the Secured Party of a certificate of an authorized officer of the Lessee to the effect that any damage to such Item in respect of which such proceeds are to be paid has been fully repaired; and

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (i) within 180 days from the receipt thereof by the Secured Party, or if within such period the Lessee shall have notified the Secured Party in writing that the Lease is to be terminated as to one or more Items in accordance with the provisions of Section 11.2 of the Lease, then, so long as no Event of Default hereunder has occurred and is continuing, the insurance proceeds shall be applied by the Secured Party as follows:

(A) First, to the prepayment of the Notes all in the manner and to the extent provided for by clauses First and Second of Section 4.1(b) hereof; and

(B) Second, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

4.2. Loan Value. For purposes of Section 4.1, the "Loan Value", in respect of any Item of Equipment, shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Purchase Price (as defined in the Participation Agreement) of such Item of Equipment for which settlement is then being made and the denominator of which is the aggregate Purchase Price of all Items of Equipment then subject to the Lease (including the Purchase Price of such Item of Equipment for which settlement is then being made), times (B) the unpaid principal amount of Notes immediately prior to the prepayment provided for in Section 4.1 (after giving effect to all payments of installments of principal made or to be made on the date of prepayment provided for in Section 4.1).

4.3. Multiple Notes. If more than one Note is outstanding at the time any such application is made, such application shall be made on all outstanding Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon.

4.4. Default. If an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Section 1.2 hereof shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral.

## SECTION 5. DEFAULTS AND OTHER PROVISIONS.

5.1. Events of Default. The term "Event of Default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, premium, if any, or interest on, any Note, when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for five days; provided, that the receipt by the Secured Party of rentals or other sums constituting Collateral hereunder which, by the terms of this Agreement, are to be applied to the payment of the Notes, shall constitute payment thereof by the Debtor to the extent of such required application; or

(b) An Event of Default (as defined in the Lease) shall have occurred and be continuing under the Lease; or

(c) Default on the part of the Debtor or the Trustor in the due observance or performance of any covenant or agreement to be observed or performed by the Debtor or the Trustor under this Security Agreement or the Participation Agreement, and such default shall continue unremedied for 30 days after written notice from the Secured Party to the Debtor and the Trustor specifying the default and demanding the same to be remedied; or

(d) Any representation or warranty on the part of the Debtor or the Trustor made herein or in the Participation Agreement or in any report, certificate, financial or other statement furnished in connection with this Security Agreement, the Lease or the Participation Agreement, or the transactions contemplated therein, shall prove to be false or misleading in any material respect when made; or

(e) Any claim, lien or charge (other than Permitted Encumbrances and liens, charges and encumbrances which the Lessee is obligated to discharge under Section 9 of the Lease) shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within 30 days; or

(f) Any claim, lien or charge (other than Permitted Encumbrances, and liens, charges and encumbrances which the Lessee is obligated to discharge under Section 9 of the Lease) shall be asserted against or levied or imposed upon the Equipment which is not prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within 30 days after written notice from the Secured Party or the holder of any Note to the Debtor and the Lessee demanding the discharge or removal thereof; or

(g) A receiver, liquidator or trustee of the Debtor or the Trustor or of any of the property of any such party, is appointed by court order and such order remains in effect for more than 60 days; or the Debtor or the Trustor is adjudicated bankrupt or insolvent; or any of the property of the Debtor or a substantial portion of the property of the Trustor is sequestered by court order and such order remains in effect for more than 60 days;

or a petition is filed against the Debtor or the Trustor under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing; or

(h) The Debtor or the Trustor files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(i) The Debtor or the Trustor makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of the Debtor or the Trustor or of all or any part of the property of any such party.

5.2. Secured Party's Rights. The Debtor agrees that when any Event of Default, as defined in Section 5.1, has occurred and is continuing, but subject always to Sections 5.3 and 6 hereof, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of Illinois (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may, and upon the written direction of the holders of 25% of the principal amount of the Notes then outstanding shall, by notice in writing to the Debtor declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon shall be and become immediately due and payable;

(b) Subject always to the rights of the Lessee under the Non-disturbance Agreement, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion

thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) Subject always to the rights of the Lessee under the Non-disturbance Agreement, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor and the Lessee once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to, provided, however, that any such sale shall be held in a commercially reasonable manner; any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(d) The Secured Party may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or subject to the provisions of Section 6 hereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. Certain Rights of the Debtor on the Occurrence of an Event of Default under the Lease. Except as hereinafter provided, if an Event of Default under the Lease shall have occurred and be continuing, the Secured Party shall give the Debtor not less than 10 days' prior written notice of the date (the "Enforcement Date") on which the Secured Party will exercise any remedy or remedies pursuant to Section 5.2 hereof. If an Event of Default under the Lease shall have occurred and be continuing, the Debtor shall have the following rights hereunder:

(a) Right to Cure. In the event of the occurrence of an Event of Default in respect of the payment of Fixed Rental under the Lease on the day it becomes due and payable (unless there shall have occurred and be continuing any Event of Default under the Lease other than such failure to pay Fixed Rental) the Debtor may, prior to the Enforcement Date, pay to the Secured Party an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes, and such payment by the Debtor shall be deemed to cure any Event of Default under the Lease which would otherwise have arisen on account of the non-payment by the Lessee of such installment of Fixed Rental under the Lease; provided, however, that the Debtor may not exercise such right in respect of more than 18 Fixed Rental payment defaults (whether consecutive or not) in the aggregate throughout the term of the Lease or in any event, except as hereinafter provided, six consecutive Fixed Rental payment defaults; provided that following such sixth consecutive Fixed Rental payment default, the Debtor may exercise such right to cure in respect of an additional 12 consecutive Fixed Rental payment defaults, but only if (i) the Debtor shall have first delivered to the Secured Party on or before the date of the 7th, 10th, 13th or 16th consecutive Fixed Rental payment default, as the case may be, a certificate of an independent appraiser satisfactory to the Secured Party to the effect that as of the date of such 7th, 10th, 13th or 16th consecutive Fixed Rental payment default (A) the Equipment is being maintained and insured in accordance with the Lease, and (B) the Fair Market Value (as defined in the Lease) of the Equipment equals or exceeds 125% of the aggregate unpaid principal amount of the Notes then outstanding and (ii) the Debtor shall not have exercised such right to cure in respect or more

than 18 Fixed Rental payment defaults (whether consecutive or not) in the aggregate throughout the term of the Lease. Notwithstanding the foregoing, it is further understood and agreed that the Debtor may not exercise such right to cure in respect of more than 12 Fixed Rental payment defaults (whether consecutive or not) in the aggregate after the first seven years following the Term Lease Commencement Date (as defined in the Lease).

Except as hereinafter in this Section 5.3(a) provided, the Debtor shall not, by exercising the right to cure any such Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right, nor shall any claims of the Debtor against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Secured Party in and to the Collateral. Upon such payment by the Debtor of the amount of principal and interest then due and payable on the Notes, the Debtor shall be subrogated to the rights of the Secured Party in respect of the Fixed Rental which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefore, if no other Event of Default shall have occurred and be continuing and if all principal and interest payments then due on the Notes have been paid at the time of receipt by the Secured Party of such Fixed Rental, the Debtor shall be entitled to receive such Fixed Rental and such interest upon receipt thereof by the Secured Party; provided, that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 5.2(a) hereof, such subrogation shall, until principal of and interest on all Notes shall have been paid in full, be subordinate to the rights of the Secured Party in respect of such payment of Fixed Rental and such interest on such overdue Fixed Rental prior to receipt by the Debtor of any amount pursuant to such subrogation, and (ii) the Debtor shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

(b) Option to Prepay Notes. Whether or not the Debtor shall then have the right to cure an Event of Default under the Lease pursuant to Section 5.3(a) above, the Debtor may at its option, from or after any date upon which the Secured Party shall have delivered written notice of an Enforcement Date in accordance with Section 5.3(a) hereof, prepay the Notes by payment of the entire unpaid principal amount thereof, together with

accrued interest thereon to the date of prepayment; provided that if such prepayment is the result of, or is in anticipation of, the refunding or refinancing of all or any portion of the Notes then outstanding by the application, directly or indirectly, of funds derived from any issuance of preferred stock of any class or indebtedness from borrowed money of the Debtor or the Trustor or any subsidiary or affiliate thereof having (i) as the case may be a fixed dividend rate or an effective interest cost (determined by standard financial practice) less than 10-1/2% per annum, or (ii) as of the date of the proposed prepayment, an average life to maturity which is less than the remaining average life to maturity of the Notes (determined in each case by standard financial practice), then the Debtor shall, in addition, pay a premium in the amount which would be payable if the Lessee then had elected to terminate the Lease pursuant to Section 11.4 of the Lease (or if prior to the 121st installment payment date on the Notes, a premium in the amount of 11.5% of the unpaid principal amount of the Notes).

(c) Right of Substitution. If the Lessee is no longer entitled to the use and possession of the Equipment under the Lease and so long as no Event of Default under this Security Agreement or event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default under this Security Agreement shall have occurred and be continuing, the Debtor, with the consent of the Trustor, shall have the right from time to time to obtain a new lessee (the "New Lessee") to enter into a new lease (the "New Lease") covering all of the Items of Equipment, provided that:

(i) at the time of the execution and delivery of the New Lease by the New Lessee, the New Lessee shall be a corporation duly incorporated under the laws of the United States of America or any state thereof with a bond credit rating of "A" or better or its equivalent as provided by either Moody's Investors Service, Inc. or Standard & Poor's Corporation (or by such other nationally recognized rating service as the holders of at least 66-2/3% of the aggregate principal amount of the Notes then outstanding shall approve);

(ii) the New Lease shall be a net lease incorporating substantially all of the terms, conditions and provisions of the Lease, provided that (A) the New Lease shall include an agreement of the New Lessee

pursuant to which the New Lessee agrees that the rights of any assignee of the Debtor to the sums payable by the New Lessee under the New Lease shall not be subject to any defense whatsoever, including any liability of the Debtor to the New Lessee, and (B) the rents payable under the New Lease shall be at least sufficient to fully pay and discharge the principal of, premium and interest on the Notes then outstanding as the same become due and payable;

(iii) the New Lessee shall make representations and warranties of substantially the same scope and form as those of the Lessee set forth in the Participation Agreement;

(iv) concurrently with the execution and delivery of the New Lease, the Debtor shall have entered into a supplement to this Security Agreement (the "Supplement") assigning all of its right, title and interest in and to the New Lease and the rents and other sums due and to become due thereunder to the Secured Party as additional security for the Notes;

(v) prior to the delivery of any Item of Equipment to the New Lessee under the New Lease, the Debtor will, at its or the New Lessee's expense, cause the New Lease and the Supplement to be duly filed, recorded and deposited with the Interstate Commerce Commission in conformity with 49 U.S.C. §11303 (formerly Section 20c of the Interstate Commerce Act) and in such other places within the United States as any holder of the Notes may reasonably request for the protection of the title to or the security interest of the Secured Party in the Collateral and will furnish the Secured Party and each holder of the Notes proof thereof;

(vi) concurrently with the execution and delivery of the New Lease, the New Lessee shall have accepted delivery of all Items of Equipment under the New Lease and the Secured Party shall have received a certificate of the New Lessee to that effect; and

(vii) the New Lessee and the Debtor shall have delivered to the Secured Party or the holder of any Note such certificates, opinions of counsel

or other documents as the Secured Party or such holder shall reasonably request in connection with the substitution of the New Lessee.

5.4. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon shall at once become and be immediately due and payable; also, in the case of any such sale, any holder or holders of the Notes, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon.

5.5. Waiver by Debtor. To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any law now or hereafter in force requiring any notice of sale of the Collateral (it being understood that the Debtor is not waiving its right to notice under Section 5.2(c) hereof) or any stay or extension law now or at any time hereafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

5.6. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Non-disturbance Agreement).

5.7. Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of reasonable compensation and costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Notes and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, interest and premium, if any; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, with application on each Note to be made, first, to the unpaid interest thereon, second, to unpaid premium, if any, thereon, and third, to unpaid principal thereof; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

5.8. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party and the holder or holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

5.9. Cumulative Remedies. No delay or omission of the Secured Party or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of any Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom

except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

#### SECTION 6. LIMITATIONS OF LIABILITY.

It is expressly understood and agreed by and between the Debtor, the Trustor, the Secured Party and any holder or holders of the Notes and their respective successors and assigns that, except as expressly provided in Section 2.2 hereof, this Security Agreement is executed by Continental Illinois National Bank and Trust Company of Chicago, not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, warranties, undertakings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, warranties, undertakings and agreements by Continental Illinois National Bank and Trust Company of Chicago or the Trustor, or for the purpose or with the intention of binding Continental Illinois National Bank and Trust Company of Chicago or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Security Agreement is executed and delivered by Continental Illinois National Bank and Trust Company of Chicago solely in the exercise of the powers expressly conferred upon Continental Illinois National Bank and Trust Company of Chicago, as trustee under the Trust Agreement, that actions to be taken by the Debtor pursuant to its obligations hereunder may, in certain instances, be taken by the Debtor only upon specific authority of the Trustor, that nothing herein contained shall be construed as creating any liability on Continental Illinois National Bank and Trust Company of Chicago or the Trustor, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Continental Illinois National Bank and Trust Company of Chicago or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Secured Party and by any person claiming by, through or under the Secured Party, and that so far as Continental Illinois National Bank and Trust Company of Chicago or the Trustor, individually or personally are concerned, the Secured Party and any person claiming by, through or under the Secured Party shall look solely to the Trust Estate for the satisfaction of any claim or judgment for the failure to perform any obligation under any of the instruments referred to herein; provided that nothing in this Section 6 shall

be construed to limit in scope or substance those representations, warranties and agreements of Continental Illinois National Bank and Trust Company of Chicago made expressly in its individual capacity set forth herein or in the Participation Agreement. Any obligation of the Debtor hereunder may be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Security Agreement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

## SECTION 7. MISCELLANEOUS.

7.1. Registration and Execution. The Notes shall be registered as to principal and interest and shall be signed on behalf of the Debtor by its President or any Vice President or any other officer of the Debtor who, at the date of the actual execution thereof, shall be a proper officer to execute the same.

7.2. Payment of the Notes. (a) The principal of, premium, if any, and interest on the Notes shall be payable by wire transfer of immediately available funds, in the case of the original Secured Party, at the address provided in Schedule 2 of the Participation Agreement or as such Secured Party shall otherwise designate, and in the case of all other holders of the Notes, to such bank or trust company in the continental United States for the account of such holder as the holder shall designate to the Debtor from time to time in writing, and if no such designation is in effect, by check, duly mailed, by first-class, postage prepaid, or delivered to such holder at its address appearing on the Register as defined in Section 7.3. All payments so made shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sums so paid. Each holder (or the person for whom such holder is a nominee) by its acceptance of any Notes agrees that, before selling, transferring or otherwise disposing of such Note, it will present such Note to the Debtor for transfer and notation as provided in Sections 7.4 and 7.5.

(b) All amounts constituting payment of the installments of rental under the Lease or Casualty Value or Termination Value received by the Secured Party and applied on the Notes pursuant to Section 4 hereof shall be valid and effectual to satisfy and discharge the liability upon such Notes to the extent of the amounts so received and applied.

7.3. The Register. The Debtor will keep at its principal corporate trust office a register for the registration and transfer of Notes (herein called the "Register"). The names and addresses of the holders of the Notes, the transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register.

7.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes. (a) The holder of any Note may transfer such Note upon the

surrender thereof at the principal corporate trust office of the Debtor. Thereupon the Debtor shall execute in the name of the transferee a new Note or Notes in denominations not less than \$50,000 in the aggregate principal amount equal to the unpaid principal amount of the Note so surrendered and deliver such new Note or Notes to such transferee.

(b) The holder of any Note or Notes may surrender such Note or Notes at the principal corporate trust office of the Debtor, accompanied by a written request for a new Note or Notes in the same aggregate principal amount as the then unpaid principal amount of the Note or Notes so surrendered and in denominations of \$50,000 or such amount in excess thereof as may be specified in such request. Thereupon, the Debtor shall execute in the name of such holder a new Note or Notes in the denomination or denominations so requested and in an aggregate principal amount equal to the aggregate unpaid principal amount of the Note or Notes so surrendered and deliver such new Note or Notes to such holder.

(c) All Notes presented or surrendered for exchange or transfer shall be accompanied (if so required by the Debtor) by a written instrument or instruments of assignment or transfer, in form satisfactory to the Debtor, duly executed by the registered holder or by its attorney duly authorized in writing. The Debtor shall not be required to make a transfer or an exchange of any Note for a period of ten days preceding any installment payment date with respect thereto.

(d) No notarial act shall be necessary for the transfer or exchange of any Note pursuant to this Section 7.4, and the holder of any Note issued as provided in this Section 7.4 shall be entitled to any and all rights and privileges granted under this Security Agreement to a holder of a Note.

(e) In case any Note shall become mutilated or be destroyed, lost or stolen, the Debtor, upon the written request of the holder thereof, shall execute and deliver a new Note in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substituted Note shall furnish to the Debtor such security or indemnity as may be required by them to save it harmless from all risks, and the applicant shall also furnish to the Debtor evidence to its satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Debtor may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Debtor such security or indemnity as the Debtor may require to save it harmless, and shall furnish evidence to the satisfaction of the Debtor of the mutilation, destruction, loss or theft of such Note and the ownership thereof. If the Secured Party or its nominee, is the owner of any such lost, stolen or destroyed Note, then the affidavit of the president,

vice president, treasurer or assistant treasurer of the Secured Party setting forth the fact of loss, theft or destruction and of its ownership of the Note at the time of such loss, theft or destruction shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of the Secured Party to indemnify the Debtor for any claims or action against it (and for its attorneys' fees) resulting from the issuance of such new Note or the reappearance of the old Note.

7.5. The New Notes. (a) Each new Note (herein, in this Section 7.5, called a "New Note") issued pursuant to Section 7.4(a), (b) or (e) in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 7.5, called an "Old Note") shall be dated the date of such Old Note. The Debtor shall mark on each New Note (i) the dates to which principal and interest have been paid on such Old Note, (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note, and (iii) the amount of each installment payment payable on such New Note. Each installment payment payable on such New Note on any date shall bear the same proportion to the installment payment payable on such Old Note on such date as the original principal amount of such New Note bears to the original aggregate principal amount of such Old Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 7.4(a), (b) or (e), the Debtor may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Debtor.

(c) All New Notes issued pursuant to Section 7.4(a), (b) or (e) in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Debtor evidencing the same debt as the Old Notes and shall be entitled to the benefits and security of this Security Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Security Agreement, the Debtor shall prepare and deliver to the holder of such Note at its address set forth in the Register a copy of an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such installment payment.

7.6. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Debtor for cancellation or, if surrendered to the Debtor, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Security Agreement.

7.7. Registered Owner. The person in whose name any Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Security Agreement and the Debtor shall not be affected by any notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on such Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Debtor may deem and treat the registered owner of any Note as the owner thereof without production of such Note.

7.8. Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

7.9. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision herein contained unenforceable or invalid.

7.10. Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to the Debtor: Continental Illinois National Bank  
and Trust Company of Chicago, as  
Trustee under Dreyfus Trust No. 79-1  
231 South LaSalle Street  
Chicago, Illinois 60693  
Attention: Corporate Trust Department

(with a copy of such notice to  
the Trustor)

If to the Trustor: CI Transportation Leasing Corporation  
231 South LaSalle Street  
Chicago, Illinois 60693

If to the  
Secured Party: The Northwestern Mutual Life  
Insurance Company  
720 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202  
Attention: Securities Department

If to any other holder  
of the Notes:

At its address for notices set  
forth in the Register

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section to the other parties.

7.11. Release. The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

7.12. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of Illinois; provided, however, that the Secured Party shall be entitled to all the rights conferred by any applicable Federal statute, rule or regulation.

7.13. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

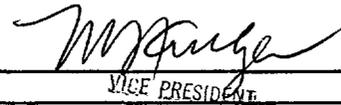
7.14. Headings. Any headings or captions preceding the text of the several Sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect. Similarly, the date first above written is for purposes of convenience only and does not reflect the date or dates of actual signing.

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed as of the day and year first above written.

CONTINENTAL ILLINOIS NATIONAL  
AND TRUST COMPANY OF CHICAGO,  
not individually but solely  
as Trustee

By

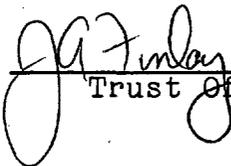
Its



VICE PRESIDENT

[SEAL]

ATTEST:

  
Trust Officer

THE NORTHWESTERN MUTUAL LIFE  
INSURANCE COMPANY

By *John F. Konrad*  
Its John F. Konrad Vice President

[SEAL]

ATTEST:

*Patrick W. Lavin*  
Assistant Secretary  
Patrick W. Lavin



AMORTIZATION SCHEDULE

(Payments Required Per \$1,000,000 Principal Amount  
of 10-1/2% Secured Notes Issued by Debtor)

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<u>Number of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>
1	\$10,322.28	\$8,750.00	\$ 1,572.28
2	10,322.28	8,736.24	1,586.04
3	10,322.28	8,722.36	1,599.92
4	10,322.28	8,708.37	1,613.91
5	10,322.28	8,694.24	1,628.04
6	10,322.28	8,680.00	1,642.28
7	10,322.28	8,665.63	1,656.65
8	10,322.28	8,651.13	1,671.15
9	10,322.28	8,636.51	1,685.77
10	10,322.28	8,621.76	1,700.52
11	10,322.28	8,606.88	1,715.40
12	10,322.28	8,591.87	1,730.41
13	10,322.28	8,576.73	1,745.55
14	10,322.28	8,561.46	1,760.82
15	10,322.28	8,546.05	1,776.23
16	10,322.28	8,530.51	1,791.77
17	10,322.28	8,514.83	1,807.45
18	10,322.28	8,499.01	1,823.27
19	10,322.28	8,483.06	1,839.22
20	10,322.28	8,466.97	1,855.31
21	10,322.28	8,450.73	1,871.55
22	10,322.28	8,434.36	1,887.92
23	10,322.28	8,417.84	1,904.44
24	10,322.28	8,401.17	1,921.11
25	10,322.28	8,384.36	1,937.92
26	10,322.28	8,367.41	1,954.87
27	10,322.28	8,350.30	1,971.98
28	10,322.28	8,333.05	1,989.23
29	10,322.28	8,315.64	2,006.64
30	10,322.28	8,298.08	2,024.20
31	10,322.28	8,280.37	2,041.91
32	10,322.28	8,262.50	2,059.78
33	10,322.28	8,244.48	2,077.80
34	10,322.28	8,226.30	2,095.98
35	10,322.28	8,207.96	2,114.32
36	10,322.28	8,189.46	2,132.82
37	10,322.28	8,170.80	2,151.48
38	10,322.28	8,151.97	2,170.31
39	10,322.28	8,132.98	2,189.30
40	10,322.28	8,113.83	2,208.45
41	10,322.28	8,094.50	2,227.78
42	10,322.28	8,075.01	2,247.27

SCHEDULE 1  
(to Security Agreement)

<u>Number of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>
43	\$10,322.28	\$8,055.35	\$ 2,266.93
44	10,322.28	8,035.51	2,286.77
45	10,322.28	8,015.50	2,306.78
46	10,322.28	7,995.32	2,326.96
47	10,322.28	7,974.96	2,347.32
48	10,322.28	7,954.42	2,367.86
49	10,322.28	7,933.70	2,388.58
50	10,322.28	7,912.80	2,409.48
51	10,322.28	7,891.71	2,430.57
52	10,322.28	7,870.45	2,451.83
53	10,322.28	7,848.99	2,473.29
54	10,322.28	7,827.35	2,494.93
55	10,322.28	7,805.52	2,516.76
56	10,322.28	7,783.50	2,538.78
57	10,322.28	7,761.29	2,560.99
58	10,322.28	7,738.88	2,583.40
59	10,322.28	7,716.27	2,606.01
60	10,322.28	7,693.47	2,628.81
61	10,322.28	7,670.47	2,651.81
62	10,322.28	7,647.26	2,675.02
63	10,322.28	7,623.86	2,698.42
64	10,322.28	7,600.25	2,722.03
65	10,322.28	7,576.43	2,745.85
66	10,322.28	7,552.40	2,769.88
67	10,322.28	7,528.17	2,794.11
68	10,322.28	7,503.72	2,818.56
69	10,322.28	7,479.06	2,843.22
70	10,322.28	7,454.18	2,868.10
71	10,322.28	7,429.08	2,893.20
72	10,322.28	7,403.77	2,918.51
73	10,322.28	7,378.23	2,944.05
74	10,322.28	7,352.47	2,969.81
75	10,322.28	7,326.48	2,995.80
76	10,322.28	7,300.27	3,022.01
77	10,322.28	7,273.83	3,048.45
78	10,322.28	7,247.15	3,075.13
79	10,322.28	7,220.25	3,102.03
80	10,322.28	7,193.10	3,129.18
81	10,322.28	7,165.72	3,156.56
82	10,322.28	7,138.10	3,184.18
83	10,322.28	7,110.24	3,212.04
84	10,322.28	7,082.14	3,240.14
85	10,322.28	7,053.78	3,268.50
86	10,322.28	7,025.19	3,297.09
87	10,322.28	6,996.34	3,325.94
88	10,322.28	6,967.23	3,355.05
89	10,322.28	6,937.88	3,384.40
90	10,322.28	6,908.26	3,414.02
91	10,322.28	6,878.39	3,443.89
92	10,322.28	6,848.26	3,474.02

<u>Number of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>
93	\$10,322.28	\$6,817.86	\$ 3,504.42
94	10,322.28	6,787.20	3,535.08
95	10,322.28	6,756.26	3,566.02
96	10,322.28	6,725.06	3,597.22
97	10,322.28	6,693.59	3,628.69
98	10,322.28	6,661.83	3,660.45
99	10,322.28	6,629.81	3,692.47
100	10,322.28	6,597.50	3,724.78
101	10,322.28	6,564.90	3,757.38
102	10,322.28	6,532.03	3,790.25
103	10,322.28	6,498.86	3,823.42
104	10,322.28	6,465.41	3,856.87
105	10,322.28	6,431.66	3,890.62
106	10,322.28	6,397.62	3,924.66
107	10,322.28	6,363.28	3,959.00
108	10,322.28	6,328.63	3,993.65
109	10,322.28	6,293.69	4,028.59
110	10,322.28	6,258.44	4,063.84
111	10,322.28	6,222.88	4,099.40
112	10,322.28	6,187.01	4,135.27
113	10,322.28	6,150.83	4,171.45
114	10,322.28	6,114.33	4,207.95
115	10,322.28	6,077.51	4,244.77
116	10,322.28	6,040.37	4,281.91
117	10,322.28	6,002.90	4,319.38
118	10,322.28	5,965.11	4,357.17
119	10,322.28	5,926.98	4,395.30
120	10,322.28	5,888.52	4,433.76
121	10,322.28	5,849.73	4,472.55
122	10,322.28	5,810.59	4,511.69
123	10,322.28	5,771.11	4,551.17
124	10,322.28	5,731.29	4,590.99
125	10,322.28	5,691.12	4,631.16
126	10,322.28	5,650.60	4,671.68
127	10,322.28	5,609.72	4,712.56
128	10,322.28	5,568.49	4,753.79
129	10,322.28	5,526.89	4,795.39
130	10,322.28	5,484.93	4,837.35
131	10,322.28	5,442.60	4,879.68
132	10,322.28	5,399.91	4,922.37
133	10,322.28	5,356.84	4,965.44
134	10,322.28	5,313.39	5,008.89
135	10,322.28	5,269.56	5,052.72
136	10,322.28	5,225.35	5,096.93
137	10,322.28	5,180.75	5,141.53
138	10,322.28	5,135.76	5,186.52
139	10,322.28	5,090.38	5,231.90
140	10,322.28	5,044.60	5,277.68
141	10,322.28	4,998.42	5,323.86
142	10,322.28	4,951.84	5,370.44

<u>Number of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>
143	\$10,322.28	\$4,904.85	\$ 5,417.43
144	10,322.28	4,857.44	5,464.84
145	10,322.28	4,809.63	5,512.65
146	10,322.28	4,761.39	5,560.89
147	10,322.28	4,712.73	5,609.55
148	10,322.28	4,663.65	5,658.63
149	10,322.28	4,614.14	5,708.14
150	10,322.28	4,564.19	5,758.09
151	10,322.28	4,513.81	5,808.47
152	10,322.28	4,462.98	5,859.30
153	10,322.28	4,411.71	5,910.57
154	10,322.28	4,360.00	5,962.28
155	10,322.28	4,307.83	6,014.45
156	10,322.28	4,255.20	6,067.08
157	10,322.28	4,202.11	6,120.17
158	10,322.28	4,148.56	6,173.72
159	10,322.28	4,094.54	6,227.74
160	10,322.28	4,040.05	6,282.23
161	10,322.28	3,985.08	6,337.20
162	10,322.28	3,929.63	6,392.65
163	10,322.28	3,873.69	6,448.59
164	10,322.28	3,817.27	6,505.01
165	10,322.28	3,760.35	6,561.93
166	10,322.28	3,702.93	6,619.35
167	10,322.28	3,645.01	6,677.27
168	10,322.28	3,586.59	6,735.69
169	10,322.28	3,527.65	6,794.63
170	10,322.28	3,468.20	6,854.08
171	10,322.28	3,408.22	6,914.06
172	10,322.28	3,347.73	6,974.55
173	10,322.28	3,286.70	7,035.58
174	10,322.28	3,225.14	7,097.14
175	10,322.28	3,163.04	7,159.24
176	10,322.28	3,100.39	7,221.89
177	10,322.28	3,037.20	7,285.08
178	10,322.28	2,973.46	7,348.82
179	10,322.28	2,909.15	7,413.13
180	10,322.28	2,844.29	7,477.99
181	10,322.28	2,778.86	7,543.42
182	10,322.28	2,712.85	7,609.43
183	10,322.28	2,646.27	7,676.01
184	10,322.28	2,579.11	7,743.17
185	10,322.28	2,511.35	7,810.93
186	10,322.28	2,443.01	7,879.27
187	10,322.28	2,374.06	7,948.22
188	10,322.28	2,304.52	8,017.76
189	10,322.28	2,234.36	8,087.92
190	10,322.28	2,163.59	8,158.69
191	10,322.28	2,092.20	8,230.08
192	10,322.28	2,020.19	8,302.09

<u>Number of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>
193	\$10,322.28	\$1,947.55	\$ 8,374.73
194	10,322.28	1,874.27	8,448.01
195	10,322.28	1,800.35	8,521.93
196	10,322.28	1,725.78	8,596.50
197	10,322.28	1,650.56	8,671.72
198	10,322.28	1,574.68	8,747.60
199	10,322.28	1,498.14	8,824.14
200	10,322.28	1,420.93	8,901.35
201	10,322.28	1,343.04	8,979.24
202	10,322.28	1,264.48	9,057.80
203	10,322.28	1,185.22	9,137.06
204	10,322.28	1,105.27	9,217.01
205	10,322.28	1,024.62	9,297.66
206	10,322.28	943.27	9,379.01
207	10,322.28	861.20	9,461.08
208	10,322.28	778.42	9,543.86
209	10,322.28	694.91	9,627.37
210	10,322.28	610.67	9,711.61
211	10,322.28	525.69	9,796.59
212	10,322.28	439.97	9,882.31
213	10,322.28	353.50	9,968.78
214	10,322.28	266.27	10,056.01
215	10,322.28	178.28	10,144.00
216	10,320.89	89.52	10,231.37

DESCRIPTION OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers</u>
200	100-ton 4750 Cu. Ft. Covered Hopper Cars manufactured by Pullman Incorporated (Pullman Standard Division)	LDCX 20000 through LDCX 20199 both inclusive

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO,  
not individually but solely as Trustee

10-1/2% SECURED NOTE DUE 1979-1997

No. R-

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FOR VALUE RECEIVED, the undersigned, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not individually but solely as trustee (the "Trustee") under a Trust Agreement dated as of January 1, 1979 (the "Trust Agreement") between the Trustee and CI Transportation Leasing Corporation (the "Trustor"), promises to pay to

or registered assigns,  
the principal sum of

DOLLARS (\$ )

together with interest from the date hereof until maturity at the rate of 10-1/2% per annum (computed on the basis of a 360-day year of twelve consecutive 30-day months) on the unpaid principal hereof, in installments as follows:

(i) 215 installments, including both principal and interest, each in the amount of \$ \_\_\_\_\_ on \_\_\_\_\_, 1979, and on the \_\_\_\_\_ day of each month thereafter, to and including \_\_\_\_\_, 1997; followed by

(ii) A final installment on \_\_\_\_\_, 1997 in the amount equal to the entire principal and interest remaining unpaid hereunder as of said date;

and to pay interest on overdue principal and (to the extent legally enforceable) on overdue interest at the rate of 11-1/2% per annum after maturity of any such installment, whether by acceleration or otherwise, until paid. Both the principal hereof and interest hereon

EXHIBIT A  
(to Security Agreement)

are payable to the registered holder hereof in coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

This Note is one of the 10-1/2% Secured Notes (the "Notes") of the Trustee not exceeding \$4,843,896 in aggregate principal amount issued under and pursuant to the Participation Agreement dated as of January 1, 1979 (the "Participation Agreement") among the Trustee, the Trustor, Louis Dreyfus Corporation (the "Lessee") and The Northwestern Mutual Life Insurance Company (the "Secured Party") and is also issued under and equally and ratably with said other Notes secured by that certain Security Agreement dated as of January 1, 1979 (the "Security Agreement") from the Trustee to the Secured Party. Reference is made to the Security Agreement and all supplements and amendments thereto executed pursuant to the Security Agreement for a description of the Collateral, the nature and extent of the security and rights of the Secured Party, the holder or holders of the Notes and of the Trustee in respect thereof.

Certain prepayments may be made on this Note at the option of the Trustee and certain prepayments are required to be made on this Note and any other Notes outstanding under the Security Agreement. The Trustee agrees to make the required prepayments on the Notes in accordance with the provisions of the Security Agreement.

The terms and provisions of the Security Agreement and the rights and obligations of the Secured Party and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Security Agreement.

This Note is a registered Note and is transferable only by surrender thereof at the principal office of the Debtor, duly endorsed or accompanied by a written instrument of transfer, duly executed by the registered holder of this Note or his attorney duly authorized in writing.

This Note and the Security Agreement are governed by and construed in accordance with the laws of the State of Illinois.

It is expressly understood and agreed by and between the Trustee, the Trustor and the holder of this Note and their respective successors and assigns that this Note is executed by Continental Illinois National Bank and Trust Company of Chicago, not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, warranties, undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal representations, warranties, undertakings and agreements by the Trustee or the Trustor, or for the purpose or with the intention of binding the Trustee or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that nothing herein contained shall be construed as creating any liability on Continental

Illinois National Bank and Trust Company of Chicago, the Trustee or the Trustor, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of Continental Illinois National Bank and Trust Company of Chicago or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the holder of this Note and by each and every person now or hereafter claiming by, through or under the holder of this Note, and that so far as the Trustee or the Trustor, individually or personally are concerned, the holder of this Note and any person claiming by, through or under such holder shall look solely to the Trust Estate as defined in the Security Agreement for the satisfaction of any claim or judgment for the failure to perform any obligation under this Note; provided that nothing in this paragraph shall be construed to limit in scope or substance those representations, warranties, undertakings and agreements of Continental Illinois National Bank and Trust Company of Chicago in its individual capacity expressly set forth in the Participation Agreement and the Security Agreement. The term "Trustee" as used in this Note shall include any trustee succeeding the Trustee as trustee under the Trust Agreement or the Trustor if the trust created thereby is revoked. Any obligation of the Trustee hereunder may be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Note shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee hereunder.

IN WITNESS WHEREOF, the Trustee has caused this Note to be duly executed.

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO, not  
individually but solely as Trustee

By \_\_\_\_\_

Its \_\_\_\_\_

NOTICE:

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY NOT BE OFFERED OR SOLD UNLESS IT IS REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.