

October 10, 1979

RECORDATION NO. 10873 Filed 1425

OCT 10 1979 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C.

RECORDATION NO. 10871 Filed 1425

OCT 10 1979 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

9-283A048

Date OCT 10 1979
Fee \$ 100.00
DC Washington, D. C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) and the regulations thereunder are the original and six counterparts each of 1) a Security Agreement dated as of October 5, 1979 and 2) a Consent and Agreement dated as of October 5, 1979.

A general description of the railroad rolling stock covered by the enclosed document is, as follows:

Fifty (50) 4000 cubic foot capacity, 100-ton covered hopper cars bearing Providence and Worcester Company identification marks P&W 50050 through P&W 50099, both inclusive.

The names and addresses of the parties to the enclosed documents are:

Security Agreement

Debtor: Crystal Hopper Associates, a Michigan limited partnership
209 Huron Avenue
Port Huron, Michigan 48060

Secured Party: Continental Illinois National Bank and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60693

Consent and Agreement

Operator: Providence and Worcester Company
One Depot Square
Woonsocket, Rhode Island

Bank: Continental Illinois National Bank and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60693

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Secretary
October 10, 1979
Page Two

The undersigned is agent for the Secured Party/Bank mentioned in the enclosed documents for the purpose of these recordations and has knowledge of the matters set forth therein.

Please return the counterparts of the Security Agreement and Consent and Agreement not needed for your records to Charles T. Kappler, Esq., Alvord and Alvord, 918 16th Street, N.W., Washington, D.C. or to the bearer hereof.

Also enclosed is a check in the amount of \$100.00 payable to the order of the Interstate Commerce Commission covering required recordation fees.

Very truly yours,

ALVORD AND ALVORD, as
Agent for Continental Illinois
National Bank and Trust Company
of Chicago.

By Charles T. Kappler
Charles T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

10/10/79

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.

Alvord & Alvord

200 World Center Building

918 16th Street, N.W.

Washington, D.C. 20006

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/10/79 at 10:50am , and assigned re-
recording number(s). 10871 & 10873

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

OCT 10 1979 - 10 50 AM

INTERSTATE COMMERCE COMMISSION *NEW NUMBER*SECURITY AGREEMENT

THIS SECURITY AGREEMENT (herein sometimes called "this Agreement"), dated as of October 5, 1979, is between CRYSTAL HOPPER ASSOCIATES, a Michigan limited partnership (herein called the "Company"), having its office at 209 Huron Avenue, Port Huron, Michigan 48060, and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (herein called "Bank"), having its office at 231 South LaSalle Street, Chicago, Illinois 60693.

W I T N E S S E T H:

WHEREAS, the Financing Agreement, dated as of the date hereof (which agreement, together with any amendments which may be thereafter made thereto, is herein called the "Financing Agreement"), between the Company and the Bank provides, among other things, for a loan thereunder by the Bank to Company; and

WHEREAS, under the terms of the Financing Agreement, the Company has agreed to perform certain obligations; and

WHEREAS, Company has duly authorized the execution and delivery of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Company agrees with the Bank as follows:

1. DEFINITIONS. When used herein the following terms shall have the following meanings:

The term "Collateral" shall mean all property and rights in which a security interest is granted hereunder.

The term "Default Event" shall mean the occurrence of any of the following events: (a) default by Company in the due performance or observance of any agreement on its part hereunder and continuance of such default for a period of 30 days, or (b) any Event of Default, as that term is defined in the Financing Agreement.

The term "Equipment" shall mean the railroad cars owned by Company and described on Schedule I hereto, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals and

replacements of, and additions, improvements, accessories and accumulations to, any and all of such Equipment.

The term "General Partner" shall mean Allen L. Stevens & Co., Inc., a New York corporation.

The term "Liabilities" shall mean all obligations of Company (i) under the Financing Agreement, each Note and each other instrument (including, without limitation, this Agreement) now or hereafter executed by it pursuant to the Financing Agreement, and (ii) all other obligations of the Company to the Bank, its successors and assigns, however created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due.

The term "Note" shall mean any note of Company evidencing any loan made by any Bank under the Financing Agreement.

The term "Operating Agreement" shall mean the Operating & Car Accounting Agreement, dated as of October 3, 1979, between the Company and the Operator, as the same from time to time thereafter may be amended or supplemented.

The term "Operator" shall mean Providence and Worcester Company, a Delaware corporation.

The term "Rental" shall mean all sums, whether or not earned by performance, due and to become due the Company under the terms of the Operating Agreement and the Utilization Agreement and under chattel paper or other agreements covering any Equipment and shall also mean all accounts receivable arising out of the lease or sale of Equipment.

The term "Shipper" shall mean Diamond Crystal Salt Company, a Michigan corporation.

The term "Utilization Agreement" shall mean the Agreement, dated as of October 3, 1979, between the Company and the Shipper, as the same from time to time thereafter may be amended or supplemented.

Any other term used herein which is defined in the Financing Agreement shall have the same meaning herein as such term has therein.

2. GRANT OF SECURITY INTEREST. As security for payment of all Liabilities, the Company hereby mortgages, transfers and assigns to the Bank, and grants to the Bank a continuing security interest in and to, all right, title and interest whatsoever of Company in and to: the Equipment; the Operating Agreement and the Utilization Agreement; all chattel paper and

other agreements and all accounts receivable, whether now or hereafter existing or acquired, arising from the lease by the Company, as lessor, of or the sale by the Company of, the Equipment; all Rental due or to become due in respect of any Equipment; all other property of Company the possession of which may at any time now or hereafter be delivered to or for the account of the Bank as security for the payment of the Liabilities; and all proceeds (including, without limitation, insurance proceeds) of any of the foregoing.

3. WARRANTIES AND AGREEMENTS OF COMPANY.

(a) The Company is the owner and is lawfully seized and possessed of the Equipment and has the right, full power and authority to mortgage, transfer and assign the same to the Bank. The executed originals of the Utilization Agreement and Operating Agreement as in existence on the date of execution and delivery of the Note shall be delivered to the Bank simultaneously with the Note; and upon delivery thereof to the Bank, the Operating Agreement and Utilization Agreement will constitute the legal, valid and binding obligations of the parties thereto, enforceable in accordance with their respective terms. The Utilization Agreement and Operating Agreement are the complete agreements governing the relationships among the Company, the Shipper and the Operator with respect to the Equipment, the operation thereof and payment therefor. Such property is and will be free from any and all liens and encumbrances prior to, on a parity with, or junior to the lien of this Agreement (except for the rights of the Operator under the Operating Agreement and the Shipper under the Utilization Agreement) and the Company will warrant and defend the title thereto and the interest of the Bank therein against all claims and demands whatsoever.

(b) The Company, at its own expense, will do, execute, acknowledge, and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Bank all of the Collateral, whether now owned or hereafter acquired.

(c) The Company, so long as no Default Event shall have occurred under this Agreement and be continuing and subject to all the terms and conditions of this Agreement, shall be entitled to the possession of the Equipment and the use thereof in the contiguous continental United States. The Company shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary

wear and tear. The Company shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange (if and to the extent permitted by the Interchange Rules or supplements thereto of the Association of American Railroads (herein called the "AAR"). Except as required or permitted by the provisions of Section 3(d) hereof, the Company shall not modify any Equipment without the prior written authority and approval of the Bank, which authority and approval shall not be unreasonably withheld.

(d) Without limiting the foregoing subsection (c), the Company agrees to comply with all insurance policies covering the Equipment and all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and, if and to the extent permitted thereby, the current Interchange Rules or supplements thereto of the Mechanical Division, AAR) as the same may be in effect from time to time with respect to the use, maintenance and operation of the Equipment. In case any equipment or appliance is reasonably interpreted as being required to be installed on any Equipment in order to comply with such laws, regulations, requirements and rules, the Company agrees to make such changes, additions and replacements at its own expense; provided, however, that the Company may, in good faith and by appropriate legal proceedings, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Bank adversely affect the security interest of the Bank hereunder.

(e) Company shall plainly and permanently stencil a legend on each side of each unit of Equipment in letters not less than one (1) inch in height indicating Bank's interest therein, as follows:

"CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, MORTGAGEE".

(f) The Company agrees that it will at all times, at no cost or expense to the Bank, keep each item of Equipment insured against loss, damage, theft and other risks in such amounts and under such policies and in such form as shall be reasonably satisfactory to the Bank. The Bank may apply any proceeds of such insurance which may be received by it toward payment of any expenses incurred by it in connection with the Collateral, the Financing Agreement and herewith (including, without

limitation, reasonable attorneys' fees and legal expenses) and any balance of such proceeds may be applied toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time determine. The Company will also maintain such public liability insurance with respect to the Equipment against damage because of bodily injury, including death, or damage to property of others as shall be reasonably satisfactory to the Bank. All insurance shall cover the interests of the Company and the Bank in the Equipment, or, as the case may be, shall protect the Company and the Bank in respect of risks arising out of the condition, maintenance, use, ownership or operation of the Equipment. The Company shall furnish the Bank with certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All insurance provided for in this Section shall be effected with insurance companies approved by the Bank, which approval shall not be unreasonably withheld.

(g) Except as provided herein or with the prior written consent of the Bank, the Company will not sell, loan, pledge, mortgage, assign or otherwise dispose of, or create or suffer to be created any levies, liens or encumbrances on, or permit any bailment or other legal or equitable interest in, any of the Equipment or any interest therein, except that the Company shall provide the Equipment to the Shipper in accordance with the Operating Agreement and the Utilization Agreement; and the Company will from time to time cause to be paid all liens, taxes, assessments and governmental charges levied, assessed or imposed upon any of the Equipment or any interest therein; provided, however, that nothing herein contained shall be deemed to require any lien, tax, assessment, charge, claim or demand to be paid or discharged prior to the due date thereof. The Company will give the Bank notice of any attachment or judicial process affecting any of the Equipment as soon as the Company has knowledge thereof.

(h) The Company will perform promptly and faithfully each of its obligations under the Operating Agreement and Utilization Agreement; and the Company will not enter into any amendment or supplement to, or modification of, the Utilization Agreement or Operating Agreement except upon the Bank's written approval.

(i) The Bank shall have at all times the right to enter into and upon any premises under the control of the Company or the General Partner where any of the Equipment is located for the purposes of inspecting the same, observing its use or otherwise protecting Bank's interest therein.

(j) The Company will keep at its address shown above, or at the office of the General Partner (660 Madison Avenue, New York, New York 10021), all records concerning the Collateral, which records will be of such character as will enable the Bank or its designees to determine at any time the status thereof, and, unless the Bank otherwise consents in writing, the Company will not, and will not permit the General Partner to, duplicate any such records at any other address.

4. PAYMENT OF RENTAL, ETC.; CASH COLLATERAL ACCOUNT. Until such time as the Bank shall notify the Company of the revocation of such power and authority, the Company will, at its own expense, endeavor to obtain payment, when due and payable, of all Rental, including the taking of such action with respect thereto as the Bank may reasonably request or, in the absence of such request, as the Company may deem advisable; provided, however, the Company shall not, without prior written consent of the Bank, grant or agree to any rebate, refund or adjustment with respect to such Rental. The Bank, however, may, at any time, whether before or after revocation of such power and authority, enforce collection of any of the Rental and any rights under the Operating Agreement or the Utilization Agreement, by suit or otherwise, and compromise or extend or renew for any period all or any portion thereof. The Company will reimburse the Bank for all expenses, including (without limitation) reasonable attorneys' fees and legal expenses, incurred by the Bank in seeking to collect any Rental or in enforcing any rights under the Operating Agreement and the Utilization Agreement. Notwithstanding the first sentence of this paragraph, the Company shall notify and direct the Shipper and the Operator or any other obligor on any Collateral to make payment to the Bank, or to the Company in care of the Bank, at such address as the Bank may designate, of all Rental.

The Company will from time to time upon receipt transmit and deliver to the Bank, in the form received, all cash, checks, drafts and other instruments for the payment of money (properly endorsed, where required, so that such items may be collected by the Bank) which may be received by the Company at any time as payment on account of any Rental and as proceeds of any Collateral (including, without limitation, proceeds of any sale of any Equipment), and until delivery to the Bank, such items will not be commingled by the Company with any of its other

funds or property, but will be held separate and apart from such other funds and property and upon trust for the Bank.

The Bank may endorse the name of the Company on any check, draft or other instrument for the payment of money received by the Bank on account of any Rental or Equipment, or otherwise as proceeds of any Collateral, if it believes such endorsement is necessary or desirable for purposes of collection.

The Company will indemnify and save harmless the Bank from and against all liabilities and expenses on account of any adverse claim asserted against the Bank to any Rental or other moneys received by the Bank pursuant to this Security Agreement, and such obligation of the Company shall continue in effect after and notwithstanding the termination of the Financing Agreement, the discharge of the Liabilities and the release hereof.

All Rental received by the Bank pursuant to the provisions hereof, all insurance proceeds received by the Bank on account of any loss, damage or destruction to Equipment and all other amounts received by the Bank pursuant to this Agreement shall be deposited by the Bank in one or more special deposit accounts maintained by the Company with the Bank, titled in such manner as to appropriately identify the nature of such accounts, and such accounts collectively shall be the "Cash Collateral Account". The Company shall not have the right to withdraw any funds deposited in the Cash Collateral Account. Nothing contained herein shall preclude the deposit of any other amounts in such Account. Moneys in such Account shall be applied as provided in this Section, and the Bank shall render to the Company daily advices (as incurred) of debits and credits to such Account.

On each date on which any amount is due and payable by the Company under any Note or otherwise under the Financing Agreement or any instrument executed pursuant thereto, the Bank may apply any moneys then on deposit in the Cash Collateral Account of the Company, which application, if made, shall be made to the payment of any unpaid interest and to unpaid principal then due under such Note in such order of application as the Bank may determine; provided, however, that if at the time any other amount is then due and payable by the Company to the Bank under the Financing Agreement or any instrument executed pursuant thereto by it, such moneys may be first applied by the Bank to the payment of such other amount; and provided further that if at the time any Default Event has occurred and is continuing, the Bank may apply such moneys to any expenses incurred by it in connection with the Collateral, the Financing Agreement and herewith (including without limitation, reasonable attorneys' fees and legal expenses) and any balances of such

moneys may be applied toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time determine.

Not less often than once in each week the Bank shall, if, on the date of remittance, no Default Event or event which with notice or the passage of time, or both, might mature into a Default Event has occurred and is continuing, remit to the Company any balance in the Cash Collateral Account of the Company in excess of \$50,000, and if such excess balance is not so remitted by reason only of the fact that an event which with notice or the passage of time, or both, might mature into a Default Event has occurred and is continuing, the Bank shall, if so requested by the Company, apply such excess balance to prepayment of the outstanding Note, in such order of application, consistent with the provisions hereof and of the Financing Agreement, as the Bank may determine, but no such request shall be made by the Company more often than once in any week. Notwithstanding the foregoing, the Bank may at any time remit to the Company any balance in the Cash Collateral Account of the Company.

The Bank shall not be liable for any interest on any moneys deposited with it pursuant to this Agreement or any instrument executed pursuant hereto by the Company.

5. DEFAULT.

Whenever a Default Event shall be existing, the Bank 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 Bank may, by notice in writing to the Company, declare all Liabilities to be immediately due and payable, and thereupon all such Liabilities shall be and become immediately due and payable.

(b) Subject always to the then existing rights of the Shipper and the Operator, the Bank, 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 Equipment and other 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 Company, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate the same until sold. It is understood, without limiting the foregoing, that the Bank may, and is hereby given the right and authority to, keep and store said Equipment and other Collateral, or any part thereof, on the premises of the Company, and that the Bank shall not thereby be deemed to have surrendered, or to have failed to take, possession of such Equipment and other Collateral.

(c) Subject always to the then existing rights of the Shipper and the Operator, the Bank 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 Company once at least 10 days prior to the date of such sale, and having given any other notice which may be required by law, sell and dispose of said Equipment and the other Collateral, or any part thereof, at public auction or private sale to the highest bidder, at any place, whether or not it be the location of any of the Equipment or other Collateral, or any part thereof, designated in the notice above referred to, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Bank may determine. 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, without further published notice; and the Bank may bid and become the purchaser at any such sale.

(d) The Bank may proceed to protect and enforce this Agreement by suit or suits or proceedings in equity,

at law or in pending 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 Equipment and other Collateral, or any part thereof, or 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.

(e) The Bank may proceed to exercise in respect of the Utilization Agreement and the Operating Agreement, the Equipment subject thereto and the duties, obligations and liabilities of the Shipper and Operator, all rights, privileges and remedies in said agreements or by applicable law permitted or provided to be exercised by the Company, and may exercise all such rights and remedies either in its name or in the name of the Company for the use and benefit of the Bank.

(f) Without limiting the foregoing subsection (c), the Bank may sell the Rentals, and all right, title and interest of the Bank as assignee thereof, at public auction to the highest bidder and either for cash or on credit, the Bank to give the Company 10 days' prior written notice of the time and place of holding any such sale, and provided always that the Bank shall also comply with any applicable mandatory legal requirements in connection with such sale.

Any sale or sales pursuant to the provisions hereof, or pursuant to any legal proceedings, shall operate to divest the Company of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the items so sold, and shall be free and clear of any and all rights of redemption by, through or under the Company, the Company hereby covenanting and agreeing that it will not at any time insist upon or plead, or take the benefit or advantage of or from, any law now or hereafter in force providing for a valuation or appraisal of the Collateral, or any part thereof, prior to any sale or sales thereof or providing for any right to redeem the Collateral, or any part thereof. The receipt of purchase money or other consideration by the Bank, or by any person authorized under any judicial proceeding to make any such sale, shall be a sufficient discharge to any purchaser of the Collateral, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such purchase money, or be bound to inquire as to the authorization, necessity or propriety of any such sale.

Any notification required by law of intended disposition by the Bank of any of the Collateral shall be deemed reasonably and properly given if given at least 10 days before such

disposition. Any proceeds of the Collateral may be applied by the Bank to the payment of any expenses incurred in connection with the Collateral, the Financing Agreement and herewith (including, without limitation, reasonable attorneys' fees and legal expenses) and any balance of such proceeds may be applied toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time determine; and the Company shall continue obligated for all Liabilities remaining unpaid after any such application.

6. PERFORMANCE BY THE BANK OF OBLIGATIONS OF THE COMPANY.

The Bank may from time to time, at its option, perform any obligation to be performed by the Company hereunder or under the Financing Agreement or any other instrument executed pursuant thereto or in connection therewith which the Company shall fail to perform and take any other action which the Bank deems necessary for the maintenance or preservation of any of the Collateral or its security interest in the Collateral. All moneys advanced by the Bank in connection with the foregoing, together with interest at the rate of 15% per annum (or such lower maximum rate as shall be legal under applicable law), shall be repaid by the Company to the Bank, upon the latter's demand, and shall be secured hereby prior to any other indebtedness or obligation secured hereby, but the making of any such advance by the Bank shall not relieve the Company of any default hereunder.

7. MISCELLANEOUS.

The Bank does not assume any obligation or liability to the Shipper or the Operator or to any lessee, purchaser or other person (except to the Company as herein expressly set forth) with respect to the Collateral, and any such assumption is hereby expressly disclaimed. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Company requests in writing, but failure of the Bank to comply with any such request shall not in itself be deemed a failure to exercise reasonable care, and no failure of the Bank to preserve or protect any rights with respect to any Collateral against prior parties, or to do any act with respect to the preservation of any Collateral not so requested by the Company, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

Any payment to be made by the Bank to the Company in connection herewith shall be made by crediting such amount to a general deposit account maintained by the Company with the Bank, unless the Company otherwise directs.

Any notice or other communication hereunder to either party shall be in writing and delivered or mailed to it at its address as set forth in the Financing Agreement; provided that either party may by notice to the other designate a changed address for such party. Any such notice or other communication shall be deemed given if given in accordance with the Financing Agreement.

No failure or delay on the part of the Bank in the exercise of any right or remedy hereunder or under any other instrument or otherwise shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if, for any reason whatsoever, any one or more of the provisions of this Agreement shall be held or deemed to be inoperative, unenforceable or invalid as applied to any particular case or cases in any particular jurisdiction or jurisdictions or in all jurisdictions or in all cases, such circumstance shall not have the effect of rendering such provision inoperative, unenforceable or invalid in any other jurisdiction or in any other case or of rendering any of the provisions of this Agreement inoperative, unenforceable or invalid.

This Agreement shall be a contract made under and governed by the internal laws of the State of Illinois.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and, without limiting the foregoing, all rights and powers hereunder or with respect thereto of the Bank, or any agent or representative of the Bank, may be exercised by any successor or assignee of the Bank or any agent or representative of such successor assignee.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed
as of the day and year first above written.

CRYSTAL HOPPER ASSOCIATES
By ALLEN L. STEVENS & CO., INC.
General Partner

By Allen L. Stevens
Its PRESIDENT

(Corporate Seal)

ATTEST:

Ashley H. Baker
Secretary

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

By Peter W. Hume
Vice President

(Corporate Seal)

ATTEST:

Donald D. Meacham
Its BANKING OFFICER

STATE OF New York)
) SS
COUNTY OF New York)

On this 9th day of OCTOBER, 1979, before me personally appeared ALLEN L. STEVENS, to me personally known, who being by me duly sworn, says that he is PRESIDENT of ALLEN L. STEVENS & CO., INC., a New York corporation which is general partner of CRYSTAL HOPPER ASSOCIATES, a Michigan limited partnership, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation acting as such general partner by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation acting as such general partner.

(SEAL)

My commission expires:

John W. Thelen
Notary Public

JOHN W. THELEN
Notary Public, State of New York
No. 52-9312210 Suffolk County
Certificate filed in New York County
Term Expires March 30, 1980

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 4th day of OCTOBER, 1979, before me personally appeared PETER D. HORNE to me personally known, who being by me duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

(SEAL)

My commission expires:

Kathryn A. Hermolec
Notary Public

My Commission Expires December 28th, 1982

SCHEDULE I
TO SECURITY AGREEMENT

DESCRIPTION OF EQUIPMENT

<u>Type of Equipment</u>	<u>Quantity</u>	<u>Identification Numbers</u>
4000 cubic-foot capacity, 100-ton covered hopper cars	50	Providence and Worcester Company identification marks, as follows: P & W 50050 through 50099, inclusive.