Mercantile
Trust
Company N.A.

Mercantile Tower
St. Louis, Mo. 63166
314-425-2525

MERCANTILE BANK

July 20, 1979

9-207A121

RECORDATION NO. 10674 Filed 1425 Date JUL 26 1979

JUL 26 1979 - 11 45 AM Fee $ 50.00

INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington, D.C. 20423

Greetings:

I enclose with this letter the original and two certified true copies of a Security Agreement entered into by Mercantile Trust Company National Association, 721 Locust Street, St. Louis, Missouri 63101, as Secured Party, and John B. Gundlach, residing at 14 Rue deau Ville, Belleville, Illinois 62221, as Debtor. Said Security Agreement was executed on June 28, 1979 as of May 30, 1979. Debtor has used the proceeds of the loan evidenced by the enclosed Security Agreement to purchase certain railroad rolling stock through Boxcar Management Program, 1979-C, dated February 4, 1979. Under the terms of this Management Agreement, Rex Railways, Inc., 616 Palisades Avenue, Englewood, New Jersey, is Agent for the Debtor and the rolling stock purchased by Debtor has been leased to the Clarendon & Pittsford Railroad, 267 Battery Street, Burlington, Vermont. The date of the Lease Agreement between Rex Railways, Inc. and the Clarendon & Pittsford Railroad is May 24, 1978 as amended June 5, 1978; July 6, 1978; July 7, 1978; September 21, 1978; October 10, 1978; March 23, 1979.

INTERSTATE COMMERCE COMMISSION JUL 26 1979 ADMINISTRATIVE MAIL UNIT

The equipment covered under this Security Agreement consists of four (4), 50 foot, 70-ton truck XM Boxcars with 5,347 cubic foot capacity. The boxcars bear the following road numbers:

CLP 7141
CLP 7143
CLP 7145
CLP 7148

I.C.C. FEE OPERATION JUL 26 11 39 AM 1979

Please record the enclosed Security Agreement under 49 C.F.R. §1116. I enclose with this letter our check in the

amount of Fifty Dollars ($50.00) as payment of the applicable recording fee. Kindly return the original Security Agreement to our attorneys:

Mike DeHaven, Esq.
Thompson & Mitchell
One Mercantile Center - Suite 3400
St. Louis, Missouri 63101

I certify to you that I have personal knowledge of the matters set forth in this letter and in the enclosed Security Agreement.

Very truly yours,

MERCANTILE TRUST COMPANY
NATIONAL ASSOCIATION

By _____
Donna McMahon
Banking Officer

RECORDATION NO. 10674 Filed 1425
JUL 26 1979 - 11 45 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of May 30, 1979, (hereinafter called this Agreement), between the party executing this Agreement as Debtor (hereinafter called the Debtor) and Mercantile Trust Company National Association, a national banking association (hereinafter called the Secured Party).

The Debtor has requested that the Secured Party make a loan to the Debtor (hereinafter called the Loan), evidenced by a promissory note issued or to be issued by the Debtor (hereinafter called the Note) payable to the order of the Secured Party. The proceeds of the Loan will be used by the Debtor to pay a portion of the purchase price of the units of railroad equipment described in Schedule A attached hereto, which will be leased to the Clarendon & Pittsford Railroad, and, subject to the terms of this Agreement, may be leased to certain other companies pursuant to a Lease or Leases of Equipment, in the form described in the Private Placement Memorandum (hereinafter defined), between the Lessee (as hereinafter defined) and Rex Railways, Inc. (hereinafter called the Agent), as agent for the Debtor under a Management Agreement (hereinafter called the Management Agreement), in the form attached as Exhibit C to the Private Placement Memorandum. The term "Private Placement Memorandum" means the Private Placement Memorandum dated February 5, 1979, of the Agent, pursuant to which prospective investors were offered the

opportunity to participate in the Agent's Boxcar Management Program, 1979-C.

In order to induce the Secured Party to make the Loan, the Debtor has agreed to secure to the extent hereinafter set forth (a) the payment in full of principal of and interest on the Note when and as the same shall become due and payable whether at the stated date for the payment thereof, by acceleration, by notice of prepayment or otherwise and (b) the due and punctual payment of all other monetary obligations of the Debtor to the Secured Party pursuant to the Note and this Agreement (such principal, interest and obligations being hereinafter called the Obligations).

Accordingly, the Debtor and the Secured Party hereby agree as follows:

## ARTICLE ONE

## Grant of Security

SECTION 1.01. Grant of Security. The Debtor does hereby transfer, assign, grant, bargain, sell, convey, hypothecate, and pledge to the Secured Party, its successors and assigns, a security interest in all right, title and interest of the Debtor which presently exists or which may hereafter arise, in, to and under the following (all of the properties in which the Secured Party is hereby granted a security interest being hereinafter called collectively the Collateral):

(a) the units of railroad equipment described in Schedule A attached hereto, together with (i) any and all accessories, equipment, parts and improvements now or at any time hereinafter attached or appertaining to such units, except such thereof as remain the property of the Lessee under the Lease, and (ii) any and all substitutions, renewals and replacements for, and any additions, accessions and accumulations to, any and all of such units (such units of railroad equipment, together with such accessories, equipment, parts, improvements, substitutions, replacements, additions, accessions and accumulations being hereinafter called collectively the Units and severally a Unit);

(b) the Lease of Equipment described in Schedule B attached hereto and any other Lease pursuant to which any Unit shall at any time be leased, together with any and all schedules and exhibits thereto (all such Leases, together with such schedules and exhibits, being hereinafter called collectively the Lease; and all lessees thereunder including, without limitation, the lessee(s) set forth in Schedule B attached hereto, being herein called collectively the Lessee), including without limitation the right to receive and collect all rental, casualty value payments, insurance proceeds, condemnation awards and

other payments now or hereafter payable to the Debtor pursuant to the Lease; and

(c) to the extent not included in the next preceding clause, all rental, issues, income and profit from the Units.

SECTION 1.02. Limitations of Security Interest. The security interest granted by the Debtor in and to the Collateral is subject to (a) the Lessee's rights of possession, use and enjoyment set out in the Lease and (b) the Agent's right to compensation set out in the Management Agreement.

SECTION 1.03. Duration of Security Interest. The security interest granted by the Debtor in and to the Collateral shall remain in effect at all times until the Debtor shall pay or cause to be paid all obligations and shall observe and perform all the terms, conditions and agreements contained in this Agreement and the Note.

## ARTICLE TWO

## Representations, Warranties and Covenants

SECTION 2.01. Representations and Warranties. The Debtor represents and warrants to the Secured Party that (a) the Debtor is the record and beneficial owner of all right, title and interest in the Collateral free and clear of all liens, charges and encumbrances, except for the rights of the Lessee under the Lease and of the Agent under the Management Agreement, (b) the Debtor has full right and power to grant a

security interest in the Collateral to the Secured Party free of any contractual provision binding on the Debtor or his assets and (c) 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 or permitted to be filed or recorded covering any of the Collateral (except the financing statements or other instruments filed or to be filed in respect of the security interest provided herein).

SECTION 2.02. Covenants. The Debtor unconditionally covenants and agrees with the Secured Party as follows:

(a) the Debtor will promptly cause this Security Agreement and each supplement or amendment hereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act (49 U.S.C. §11303. The Debtor will do, execute, acknowledge, deliver, file, register and record all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Secured Party all of the Collateral or property intended so to be, whether now owned or hereafter acquired;

(b) the Debtor shall not encumber or grant a security interest in or file a financing statement

covering the Collateral, or permit any of the foregoing, without the prior written consent of the Secured Party, except as required hereunder;

(c) the Debtor will, 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 in the Collateral herein provided for; without limiting the foregoing, the Debtor covenants and agrees that it will, pursuant to Paragraph 7(a) of the Management Agreement, direct the Agent to make all payments of rental and other sums payable to the Debtor under the Lease and the Management Agreement directly to the Secured Party or as the Secured Party may otherwise direct;

(d) the Debtor will not sell, mortgage, transfer or assign (other than to the Secured Party hereunder) its interest in the Units or in any part thereof or in any amount to be received by it from the use or disposition of the Units;

(e) subject to the rights of the Lessee under the Lease, the Debtor will cause the Units and each and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition, and to be insured as required under the

terms of the lease, such insurance policies naming Mercantile Trust Company National Association as loss payee to the extent of its interest in the units, and will from time to time make or cause to be made all necessary and proper repairs, renewals, and replacements so that the value and efficiency of such property shall not be impaired;

(f) the Debtor will not, and will not permit or cause the Agent to, declare or exercise any of the remedies of the lessor under, or accept a surrender of, or offer or agree to any assignment, termination, modification or surrender of, the Lease (except as otherwise expressly provided in the Management Agreement), or by affirmative act consent to the creation or existence of any security interest or other lien in or on the Lease or any part thereof;

(g) the Debtor will not, and will not permit or cause the Agent to, receive or collect any rental payment under the Lease in respect of any of the Units prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Secured Party hereunder and to the Agent under the Management Agreement) any rent payment then due or to accrue in the future under the Lease in respect of any of the Units;

(h) the Debtor will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges lawfully imposed upon or against the Collateral or any part thereof, and will not suffer to exist any mechanics', laborers', statutory or other lien on the Collateral or any part thereof; provided, however, that nothing herein contained shall be deemed to require the Debtor to pay any tax, assessment, charge or lien, or any claim or demand of mechanics, laborers or others, prior to the due date thereof, or to require the Debtor to pay or discharge any tax, assessment, lien, claim or charge (whether or not due or delinquent) the validity or amount of which is being contested in good faith by appropriate proceedings and which has been adequately reserved against; provided, however, that the Debtor will pay or discharge such tax, assessments, lien, claim or charge if seizure of the Collateral is imminent;

(i) the Debtor 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;

(j) the Debtor will at its own expense duly comply with and perform all the covenants and

obligations of the Debtor under the Lease and will at its own expense seek to cause the Lessee to comply with and observe all the terms and conditions of the Lease and, without limiting the foregoing, at the request of the Secured Party, the Debtor will at its own expense take such action with respect to the enforcement of the Lease, and the duties and obligations of the Lessee thereunder, as the Secured Party may from time to time direct. Notwithstanding anything to the contrary in this Security Agreement contained, so long as Debtor is not in default hereunder, Debtor shall have the right, without Secured Party's prior consent, to amend, modify and terminate the Lease and to settle, adjust, compound and compromise any claims of the Debtor against the Lessee thereunder;

(k) the Debtor will permit and will cause the Agent to permit Secured Party to examine its books and records with respect to the Collateral during regular business hours upon reasonable notice to the Debtor;

(l) the Debtor shall not change, or permit to be changed, the identifying letters and numbers of the Units from such identifying letters and numbers set forth in Schedule A hereto, except in accordance with a statement of new numbers to be substituted therefor

which previously shall have been delivered to the Secured Party and which shall be filed and recorded by the Debtor in like manner as this Agreement; and

(m) the Debtor shall not lease the Units, or permit the Units to be leased, to any companies, or pursuant to any lease of equipment, other than the railroad company(ies) and the Lease(s) set forth in Schedule B hereto, except in accordance with a statement of new company or lease of equipment, as appropriate, which previously shall have been delivered to the Secured Party and which shall be filed and recorded by the Debtor in like manner as this Agreement.

ARTICLE THREE

Application of Proceeds of Certain Prepayments

Without regard to whether an Event of Default under Article Four hereof has occurred and is continuing, the Debtor agrees that it will pay over to Secured Party all moneys ("settlement moneys") paid to it pursuant to the Lease as settlement for the loss, theft, destruction or damage beyond economical repair of any Unit or Units leased thereunder. The Secured Party shall apply and credit each payment of settlement moneys on the first business day following the receipt thereof. Such prepayment of principal shall be applied in

inverse order of princpal installments coming due on the Note. From and after the date hereof the Debtor shall promptly transmit to the Secured Party any notice or information it receives concerning loss, theft, destruction or damage beyond economical repair to Units covered by the Lease requiring settlement payment under the Lease. With respect to all Units for which the Secured Party has received settlement moneys paid to the Debtor as required by the Lease, the Secured Party shall execute and deliver to the Debtor, if requested, at Debtor's expense, a release of the lien of this Security Agreement with respect to such Unit or Units.

## ARTICLE FOUR

## Events of Default; Remedies

SECTION 4.01. Events of Default. The happening of any of the following events (hereinafter called Events of Default) shall constitute a default hereunder:

(a) default shall be made in the payment of principal of, or interest on, the Note when and as the same shall become due and payable, whether at the stated date for the payment thereof, by acceleration or by notice of prepayment or otherwise;

(b) any representation or warranty made herein or in any certificate delivered in connection herewith shall prove to be false or misleading in any material respect;

(c) default shall be made in the due observance or performance of any covenant or agreement to be observed or performed by the Debtor pursuant to the terms hereof;

(d) final judgment for the payment of money in excess of an aggregate of $25,000 shall be rendered against the Debtor and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed;

(e) the Debtor shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of any of his property, (ii) admit in writing his inability to pay his debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or if action shall be taken by the Debtor for the purpose of effecting any of the foregoing; or

(f) an order, judgment or decree shall be entered, without the application, approval or consent of the Debtor by any court of competent jurisdiction, appointing a receiver, trustee or liquidator of the Debtor and such order, judgment or decree shall continue unstayed and in effect for any period of 30 days;

then, in any such case, the Secured Party may, by notice in writing delivered to the Debtor, declare the unpaid principal of the Note to be due and payable, and thereupon the same, together with accrued interest thereon, shall become and be immediately due and payable.

SECTION 4.02. Remedies. In case of the happening of any Event of Default, the Secured Party may, subject to the Lessee's rights of possession, use and enjoyment set out in the Lease and the Agent's right to compensation set out in the Management Agreement by its agents enter upon the premises of the Lessee (or other party having acquired the possession or use of the Units) where any of the Units may be and take possession of all or any part of the Units and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Units and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, incentive per diem, mileage or

other charges of any kind earned by the Units, and may lease or otherwise contract for use of any of the Units; or the Secured Party may, with or without retaking possession, sell any of the Units, free from any and all claims of the Debtor at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale for cash or upon credit in the discretion of the Secured Party, and may proceed otherwise to enforce its rights, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Secured Party may itself bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Secured Party may specify, or as may be required by law, and without gathering at the place of sale the Units to be sold, and in general in such manner as the Secured Party may determine.

In case of the happening of an Event of Default, the Secured Party also may, subject to the Lessee's rights of possession, use and enjoyment set out in the Lease and the Agent's right to compensation set out in the Management Agreement, proceed to exercise in respect of the Lease and the property covered thereby and the duties, obligations and liabilities of the Lessee thereunder all rights, privileges and remedies in said Lease or by applicable law permitted or provided to be exercised by the Debtor, including but not limited to the right to receive and collect all rent and other

moneys due or to become due thereunder 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. The Secured Party may sell the rentals reserved under the Lease, and all right, title and interest of the Secured Party with respect thereto, at public auction to the highest bidder and either for cash or on credit, the Secured Party to give the Debtor prior written notice of the time and place of holding any such sale, and provided always that the Secured Party shall also comply with any applicable mandatory legal requirements in connection with such sale.

No such taking of possession, withdrawal, lease or sale of the Collateral or any part thereof by the Secured Party shall be a bar to the recovery by the Secured Party from the Debtor of any of the Obligations then or thereafter due and payable, and the Debtor shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Collateral, shall be sufficient for the discharge and payment in full of all the Obligations.

Any sale or sales pursuant to the provisions hereof, whether under the power of sale granted hereby or pursuant to any legal proceedings, shall operate to divest the Debtor of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the Collateral so sold, and shall be free and clear of any and all rights of redemption by,

through or under the Debtor, the Debtor 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 appraisement of the Collateral prior to any sale or sales thereof or providing for any right to redeem the Collateral or any part thereof. The receipt by the Secured Party, 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. In the event at any such sale the holder or holders of the Note is or are the successful purchaser or purchasers, such holder or holders of said Note shall be entitled, for the purpose of making settlement or payment, to use and apply said Note by crediting thereon the amount apportionable and applicable thereto out of the net proceeds of such sale.

SECTION 4.03. Application of Proceeds. If the Secured Party shall exercise any of the powers conferred upon it by Sections 4.01 and 4.02 hereof, all payments made by the Debtor to the Secured Party, and the proceeds of any judgment collected from the Debtor by the Secured Party, and the proceeds of every sale or lease by the Secured Party of all or

any of the Collateral, together with any other sums which may then be held by the Secured Party under any of the provisions hereof, shall be applied by the Secured Party to the payment in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Secured Party in accordance with the provisions of this Agreement and (b) of the interest then due, and of the principal of the Note, whether or not the Note shall have matured by its terms, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then pro rata without preference between principal and interest. In the event that, after applying all such sums of money realized by the Secured Party as aforesaid, there shall remain any amount due to the Secured Party under the provisions hereof, the Debtor agrees to pay the amount of such deficit to the Secured Party. In the event that, after applying all such sums of money realized by the Secured Party as aforesaid, there shall remain a surplus in the possession of the Secured Party, such surplus shall be paid to the Debtor.

SECTION 4.04. Obligations Not Affected by Remedies. No retaking of possession of the Units by the Secured Party, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Debtor or in respect of the Collateral or any part thereof on the part of the Secured Party, nor any delay or indulgence granted to the Debtor by the Secured Party, shall affect the obligations of the Debtor hereunder or under the Note.

SECTION 4.05. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of the Secured Party shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Debtor.

## ARTICLE FIVE

## Events of Termination

In the event that any Unit shall cease to be subject to the Lease from any cause whatsoever (other than as provided in Article III hereof) for a period greater than 30 consecutive days (hereinafter called an Event of Termination), the Debtor shall, within 30 days after receipt of notice of such Event of Termination, deposit with the Secured Party an amount equal to the Termination Value (as hereinafter defined) of such Unit. The Termination Value of a Unit shall mean the amount which bears the same ratio to the original purchase price of such Unit (including the portion of such purchase price paid with proceeds of the Loan) as the principal amount of the Note which is outstanding on the date such deposit is made (without giving effect to any prepayment then or theretofore made) bears to the original principal amount of the Note. Any amounts so received

by the Secured Party shall be applied as required as in the case of a prepayment under Article III hereof.

## ARTICLE SIX

## Application of Rentals and Certain Other Amounts

SECTION 6.01. Application of Rentals. The amounts from time to time received by the Secured Party which constitute payment of rentals under the Lease shall be applied in the following order of priority, (a) to the payment of the installments of principal of and interest on the Note which have matured on or prior to the date such rentals are received by the Secured Party and (b) the balance, if any, of such rentals shall be paid to or upon the order of the Debtor not later than the first business day following the receipt thereof.

SECTION 6.02. Insurance Proceeds. Any amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained in respect of the Units shall be held by the Secured Party as 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:

(a) so long as no Event of Default has occurred and is continuing, the proceeds of such insurance shall, if the Unit is to be repaired, be released to the Agent in reimbursement for expenditures made for such

repair, upon receipt by the Secured Party of a certificate of an authorized officer of the Agent to the effect that any damage to such Unit in respect of which such proceeds were paid has been fully repaired; and

(b) if the insurance proceeds shall not have been released pursuant to the preceding subsection (a) within 180 days from the receipt thereof by the Secured Party, such insurance proceeds shall be applied by the Secured Party (i) first, to prepay the Note and (ii) second, the balance, if any, shall be released to or upon the order of the Debtor on the date of such prepayment of the Note.

## ARTICLE SEVEN

## Miscellaneous

SECTION 7.01. Power of Attorney. The Debtor hereby constitutes and appoints the Secured Party the attorney-in-fact of the Debtor with full power of substitution for the purposes of carrying out the provisions of this Agreement and in its name, place and stead to ask, demand, collect, receive, sue for and give acquittance for any and all rents, income and other sums which are assigned hereunder with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and in the discretion of the Secured Party to file any claim or take any other action, 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 returns and other sums and the security intended to be afforded hereby.

SECTION 7.02. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All warranties, covenants and agreements by or on behalf of the Debtor which are contained in this Agreement and the Note shall bind and inure to the benefit of the respective successors and assigns of the Secured Party.

SECTION 7.03. Modification, Amendment, or Waiver. No modification, amendment or waiver of any provision of this Agreement, or consent to any departure by the Debtor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Secured Party. No notice to or demand on the Debtor in any case shall entitle it to any other or further notice or demand in the same, similar or other circumstances. Neither any failure nor any delay on the part of the Secured Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

SECTION 7.04. Severability. In the event any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

SECTION 7.05. Notices. All demands, notices, and communications hereunder shall be in writing and shall conclusively be deemed to have been received by a party hereto and to be effective on the day on which delivered to such party at its address set forth below (or at such other address as such party shall specify to the other party by a notice in accordance with the terms hereof), or, if sent by registered mail, on the third business day after the date on which mailed, addressed to such party at such address:

(a) if to the Debtor, at his address set forth next to his signature at the foot of this Agreement; and

(b) if to the Secured Party, at its address at 721 Locust Street, St. Louis, Missouri 63101, Attention of Ms. Donna McMahon.

SECTION 7.06. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 7.07. Applicable Law. This Security Agreement shall be governed by the laws of Missouri.

IN WITNESS WHEREOF, the Debtor and the Secured Party have duly executed this Security Agreement, on the day and year first above written.

DEBTOR:

John B. Gundlach

Name : John B. Gundlach
Address: #14 Rue deau Ville [redacted]
Belleville, Illinois 62221

MERCANTILE TRUST COMPANY
NATIONAL ASSOCIATION

By Donna McMahon
Donna McMahon, Banking Officer

[Corporate Seal]

Attest:

~~Assistant~~ Secretary

STATE OF MISSOURI )
) SS.:
CITY OF ST. LOUIS )

On this 18th day of July, 1979, before me personally appeared Donna McMahon, to me personally known, who, being by me duly sworn, says that she is a banking officer of Mercantile Trust Company National Association, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and she acknowledged that the execution of the

foregoing instrument was the free act and deed of said corporation.

Mildred G. Jones
Mildred G. Jones Notary Public

My Commission expires: AUG 3 1 1982

[Notarial Seal]

STATE OF Illinois )
) SS.:
County OF St. Clair)

On this 28th day of June, 1979, before me personally appeared John B. Gundlach, to me personally known to be the person described in and who executed the foregoing instrument as debtor and he acknowledged that he executed the same as his own free act and deed.

Catherine A. Schickedanz
Notary Public

My Commission expires: 12/11/82

[Notarial Seal]

SCHEDULE A

| Number of Units | Road Numbers | Trust Equipment Description |
|---|---|---|
| One (1) unit of four (4) boxcars | CLP 7141<br>CLP 7143<br>CLP 7145<br>CLP 7148 | 50 foot, 70-ton truck XM Boxcars with a 5,347-cubic-foot capacity |

SCHEDULE B

| Lessee | Date of Lease Agreement with Rex Railways, Inc., as Agent for Lessors |
| --- | --- |
| Clarendon & Pittsford Railroad | May 24, 1978 as amended<br>June 5, 1978;<br>July 6, 1978;<br>July 7, 1978;<br>September 21, 1978;<br>October 10, 1978;<br>March 23, 1979 |