

Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 2823 Filed & Recorded

APR 31 1977 -1 15 PM

Gentlemen:

INTERSTATE COMMERCE COMMISSION

Enclosed for recordation under the provisions of Section 20c of the Interstate Commerce Act, as amended, are the original and one counterpart of a Security Agreement dated March 31, 1977.

A general description of the equipment covered by the attached Security Agreement is:

One hundred fifty-one (151) 100-ton railroad hopper cars, LGIX 225 through LGIX 349, both inclusive; LGIX 351 through LGIX 374, both inclusive and LGIX 1011 and LGIX 1012

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

Debtor: Lincoln Industries, Inc.
P.O. Box 80269
Lincoln, Nebraska 68501

Secured Party: Fourth National Bank and Trust Company,
Wichita
P.O. Box 1090
Wichita, Kansas 67201

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

Please return the original of the Security Agreement to Fourth National Bank and Trust Company, Wichita, P.O. Box 1090, Wichita, Kansas 67201.

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

Very truly yours,

LINCOLN INDUSTRIES, (INC.)

By George Lincoln
Its President
DEBTOR AS AFORESAID

FOURTH NATIONAL BANK AND TRUST
COMPANY, WICHITA

By Bob Bily
Assistant Vice President
Secured Party

Date: 4/21/77
Fee: 50.00
ICC Washington, D.C.

50.00 Fee

CT. Kammer
C. Anderson

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

5/16/77

OFFICE OF THE SECRETARY

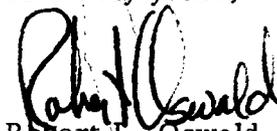
Fourth National Bank & Trust Co. of Wichita

**P.O. Box 1090
Wichita, KS. 67201**

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 **4/21/77** at **1:15pm** and assigned recordation number(s) **8823,8028-A &7983-A**

Sincerely yours,



Robert L. Oswald
Secretary

Enclosure(s)

...being statement covering the collateral is on file in any public office, except the financing statements relating to this security interest.

2. **Ownership.** Debtor owns or will use the proceeds of any loans by secured party to become the owner of the collateral free from any prior lien, security interest or encumbrance except liens for taxes not yet due and the security interest hereunder.

3. **Fixtures and Accessions.** None of the collateral is affixed to real estate or is an accession to any goods, or will become a fixture or accession, except as expressly set out herein.

4. **Claims of Debtors on Collateral.** All account debtors and obligors whose obligations are part of the collateral are to the extent permitted by law prevented from asserting against secured party any claims or defenses against liability thereon.

5. **Accuracy of Financial Statements.** All balance sheets, earnings statements and other financial data which have been or may hereafter be furnished to secured party to induce it to make this agreement or in conjunction herewith truly represent or shall truly represent the financial condition and operations of debtor as of the dates and for the periods shown thereon; and all other information, reports, papers and data furnished to secured party are or shall be, at the time furnished, accurate and correct in all material respects and complete insofar as necessary to give secured party a true and accurate knowledge of the subject matter.

F. DEBTOR'S COVENANTS

1. **Obligation and this Agreement.** Debtor shall promptly perform all of his agreements herein and in any promissory notes or other agreements between him and secured party.

2. **Ownership of Collateral.** At the time debtor pledges, sells, assigns, or transfers to secured party or grants secured party a security interest in any collateral, debtor shall be the absolute owner thereof and shall have the right to pledge, sell, assign or transfer the same. Debtor shall defend the collateral against all claims and demands of all persons at any time claiming the same or any interest therein adverse to secured party.

3. **Insurance.** Debtor shall insure the collateral with companies acceptable to secured party against such casualties and in such amounts as secured party shall require. All insurance policies shall be written for the benefit of debtor and secured party as their interests may appear, or in other form satisfactory to secured party, and such policies or certificates evidencing the same shall be furnished to secured party. All policies of insurance shall provide for written notice to secured party at least 10 days prior to cancellation. Risk of loss or damage is debtor's to the extent of any deficiency in any effective insurance coverage. Secured party is hereby appointed debtor's attorney-in-fact to indorse any draft or check payable to debtor in order to collect any return or unearned premiums or the proceeds of such insurance.

4. **Maintenance.** Debtor shall keep the collateral in good condition, and free from liens and other security interests (except liens for taxes not yet due), and shall not create or suffer to exist any lien or security interest in collateral hereafter acquired except for the security interest hereby granted.

5. **Secured Party's Costs.** Debtor shall pay all costs necessary to obtain, preserve, perfect, defend, and enforce this security interest, collect the obligation, and preserve, defend, enforce, and collect the collateral, including but not limited to taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs and expenses of sales. Whether collateral is or is not in secured party's possession, and without any obligation to do so, secured party may, at its option, pay any such costs and expenses, discharge encumbrances on collateral, and pay for insurance of collateral. Debtor agrees to reimburse secured party on demand for any costs so incurred.

6. **Information and Inspection.** Debtor shall furnish secured party any financial statements or reports and any information with respect to collateral requested by secured party, allow secured party to inspect the collateral, at any time and wherever located, and allow secured party to inspect and copy, or furnish secured party with copies of, all records relating to the collateral and the obligation. Debtor shall furnish secured party such information as secured party may request to identify inventory, accounts receivable, and general intangibles in collateral, at the time and in the form requested by secured party. Debtor upon request shall deliver to secured party shipping and delivery receipts evidencing the shipment of goods and invoices evidencing the receipt of, and the payment for, inventory in collateral.

7. **Additional Documents.** Debtor shall sign any papers furnished by secured party which are necessary in the judgment of secured party to obtain, maintain and perfect the security interest hereunder and to enable secured party to comply with the Federal Assignment of Claims Act or any other federal or state law in order to obtain or perfect secured party's interest in collateral.

8. **Parties Liable on Collateral.** Debtor will preserve the liability of account debtors, obligors, and secondary parties to the obligations of others which are part of collateral. Secured party shall have no duty to preserve such liability, but it may do so.

9. **Modification of Accounts, etc.; Sale of Inventory.** Without the written consent of secured party, debtor shall not agree to any modification of any of the terms of any accounts, chattel paper or instruments in collateral, nor sell or otherwise dispose of inventory in collateral except in the ordinary course of business.

10. **Right of Secured Party to Notify Account and Contract Debtors.** Secured party shall have the right at any time, whether debtor is or is not in default hereunder, to notify persons obligated on any instruments, accounts, chattel paper, or contracts which are part of the collateral to make payments directly to secured party and secured party may take control of all proceeds of any collateral. Until such times as secured party elects to exercise such rights, debtor, as the agent of secured party, shall collect and enforce all such contracts, accounts, instruments and chattel paper.

11. **Delivery of Receipts to Secured Party; Rejected Goods.** Upon secured party's demand, debtor will deposit upon receipt all checks, drafts, cash or other remittances in payment of an instrument, or on account of accounts or contracts or received as proceeds of inventory in collateral or as proceeds of any other collateral in a special bank account in a bank of secured party's choice over which secured party alone shall have power of withdrawal. The funds in said account shall be held by secured party as security for the obligation. Said proceeds shall be deposited in the form received, except for the indorsement of debtor where necessary to permit collection of items, which indorsement debtor agrees to make, but which secured party is authorized to make on debtor's behalf. Pending such deposits, debtor agrees that it will not mingle any such checks, drafts, cash or other remittances with any of debtor's other funds or property, but will hold them separate and apart therefrom and upon an express trust for secured party until deposit thereof is made in the special account. Secured party may from time to time apply the whole or any part of the funds in the special account against the obligation. Any portion of said funds on deposit which secured party elects not to apply to the obligation may be paid by secured party to debtor.

Unless secured party notifies debtor in writing that it dispenses with any one or more of the following requirements, debtor will

- a. Inform secured party immediately of the rejection of goods, delay in delivery or performance, or claim made, in regard to any account, chattel paper, or general intangible in collateral;
- b. Keep returned goods segregated from debtor's other property, and hold such goods as trustee for secured party until it has paid secured party the amount loaned against the related account or chattel paper and deliver such goods on demand to secured party;
- c. Pay secured party the unpaid amount of any account in collateral (i) if such account is not paid when due; (ii) if purchaser rejects the goods or services; or (iii) if secured party shall at any time reject the account as unsatisfactory. Secured party may retain any such account as security and may charge any deposit account of debtor with any such amounts.

12. **Records of Collateral.** Debtor will at all times maintain accurate books and records covering the collateral. Immediately upon the execution of this agreement, debtor will mark all books and records with an entry showing the absolute assignment of all accounts in col-

lateral to secured party and secured party is hereby given the right to audit the books and records of debtor relating to collateral at any time and from time to time. The amounts shown as to each account on debtor's books and on the assignment schedule, if any, will be the true and undisputed amount owing and unpaid thereon, and no agreements for modification, deduction, discount or partial payment shall have been made with respect to any account, instrument or chattel paper, except as revealed to secured party in writing.

13. **Disposition of Collateral.** At any time the disposition of any collateral gives rise to an account, chattel paper or instrument, debtor shall immediately notify secured party, and upon request of secured party shall assign or indorse the same to secured party. No collateral may be disposed of by debtor in any manner without the prior written consent of secured party, except inventory sold in the ordinary course of business.

14. **Accounts.** Each account in collateral will represent the valid and legally enforceable obligation of third parties, and shall not be evidenced by any instrument or chattel paper. No obligation of any third party in collateral shall be subject to setoff, counterclaim, adjustment, or defenses.

15. **Location of Accounts and Inventory.** Debtor shall give secured party written notice of each office of debtor in which records of debtor pertaining to accounts in collateral are kept, and each location at which inventory in collateral is or will be kept, and of any change of any office or location. Except as such notice is given, all records of debtor pertaining to accounts are and shall be kept in the location shown at the beginning hereof, and all inventory is and shall be kept at debtor's address shown above.

16. **Notice of Changes.** Debtor will notify secured party immediately of any material change occurring in or to the collateral, of a change in debtor's residence or location, or a change in any fact or circumstance warranted or represented by debtor in this agreement or furnished to secured party, and of any event of default.

17. **Use and Removal of Collateral.** Debtor will not use the collateral illegally or encumber the same and will not permit the collateral to be affixed to real or personal property without the prior written consent of secured party. Debtor will not permit any of the collateral to be removed from the locations specified herein without the written consent of the secured party. Debtor will not sell, lease, otherwise transfer, manufacture, process or assemble the collateral, or furnish the same under contracts of service, except in connection with consumption, sale or lease of inventory in the ordinary course of business.

18. **Possession of Collateral.** If the collateral is chattel paper, documents, or investment securities or other instruments, debtor agrees that secured party may deliver a copy of this agreement to the broker or other seller thereof or any other person in possession thereof and that such delivery shall constitute notice to such person of secured party's security interest therein and shall constitute debtor's express instruction to such person to deliver to secured party certificates or other evidence of the same as soon as available. Debtor will deliver all instruments, securities, documents and chattel paper which are part of the collateral and in debtor's possession to the secured party immediately, or, if hereafter acquired, immediately following acquisition, appropriately indorsed to secured party's order, or with appropriate powers, and regardless of the form of any indorsement on any such collateral, debtor hereby waives presentment, demand, notice of dishonor, protest, and notice of protest and all other notices with respect thereto.

19. **Chattel Paper.** Debtor has perfected or will perfect a security interest, using a method satisfactory to the secured party, in goods covered by chattel paper in collateral.

20. **Consumer Credit.** Whenever any collateral, or proceeds of any collateral, includes obligations of third parties to debtor such as accounts, chattel paper or instruments, the transactions giving rise to the collateral shall conform in all respects to the applicable requirements of any state or federal consumer credit law, and debtor shall hold secured party harmless and indemnify secured party against any cost, loss or expense of secured party, including attorney's fees, arising from debtor's breach of this covenant.

21. **Change of Name.** Without the written consent of secured party, debtor shall not change his name.

22. **Power of Attorney.** Debtor appoints secured party debtor's attorney in fact with full power in debtor's name and behalf to do every act which debtor is obligated to do hereunder; however, nothing in this paragraph shall be construed to obligate secured party to take any action hereunder.

G. RIGHTS AND POWERS OF SECURED PARTY

1. **General.** Secured party may in its discretion before or after default: without liability to debtor, obtain from any person information regarding debtor or debtor's business, which information any such person also may furnish without liability to debtor; require debtor to give possession or control of any collateral to secured party; indorse as debtor's agent any instruments, documents or chattel paper in collateral or representing proceeds of collateral; contact account debtors directly to verify information furnished by debtor; take control of proceeds, including stock received as dividends or by reason of stock splits; release collateral in its possession to any debtor, temporarily or otherwise; require additional collateral; reject as unsatisfactory any property hereafter offered by debtor as collateral; set standards from time to time to govern what may be used as after acquired collateral; designate, from time to time, a certain percent of the collateral as the loan value and require debtor to maintain the obligation at or below such figure; take control of funds generated by the collateral, such as cash dividends, interest and proceeds or refunds from insurance, and use same to reduce any part of the obligation and exercise all other rights which an owner of such collateral may exercise; at any time transfer any of the collateral or evidence thereof into its own name or that of its nominee; demand, collect, convert, redeem, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon collateral, in its own name or in the name of debtor, as secured party may determine. Secured party shall not be liable for failure to collect any account or instrument, or for any act or omission on the part of the secured party, its officers, agents, or employees, except willful misconduct. The foregoing rights and powers of secured party will be in addition to, and not a limitation upon, any rights and powers of secured party given by law, elsewhere in this agreement, or otherwise.

2. **Convertible Securities.** Secured party may present for conversion any instrument (including any investment security) in collateral which is convertible into any other instrument or investment security or a combination thereof with cash. But secured party shall not have any duty to present for conversion any instrument in collateral unless it shall have received from debtor written instructions to that effect at a time reasonably far in advance of the final conversion date to make such conversion possible.

H. DEFAULT

1. **Events of Default.** The following are events of default hereunder:

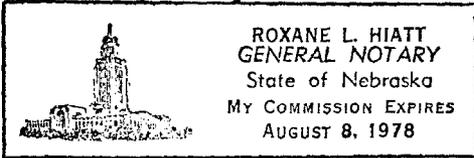
- a. Default in the timely payment or performance of any obligation, covenant or liability contained herein or secured hereby;
- b. Any warranty, representation or statement made or furnished to secured party by or in behalf of debtor proves to have been false in any material respect when made or furnished;
- c. Acceleration of the maturity of debt of debtor to any other person;
- d. Substantial change in any fact warranted or represented in this agreement;
- e. Sale, loss, theft, destruction, encumbrance or transfer of any collateral in violation hereof, or substantial damage to any collateral;
- f. Belief by secured party that the prospect of payment of the obligation or performance of this agreement is impaired;
- g. Death, incapacity, dissolution, merger or consolidation, termination of existence, or business failure of debtor or any other person liable on the obligation; appointment of a receiver for any part of the collateral; commission of an act of bankruptcy by debtor; assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against debtor or any partnership of which debtor is a partner or by or against any maker, drawer, acceptor, indorser, guarantor, surety, accommodation party or other person liable upon the obligation or any part thereof, or upon collateral;

STATE OF NEBRASKA)
)
) SS:
COUNTY OF LANCASTER)

On the 31st day of March, 1977, before me personally appeared George A. Lincoln, to me personally known, who being by me duly sworn, says that he is President of LINCOLN INDUSTRIES, INC., 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 he acknowledged the execution of the foregoing instrument was the free act and deed of said corporation.

Roxane L. Hiatt

[Seal]



My commission expires 8-8-78

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

On the 31st day of March, 1977, before me personally appeared R. M. Briley, to me personally known, who being by me duly sworn, says that he is an Assistant Vice President of FOURTH NATIONAL BANK AND TRUST COMPANY, WICHITA, that the seal affixed to the foregoing instrument is the corporate deal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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.

[Seal]

Lorraine Colaw
Lorraine Colaw, Notary Public

My commission expires June 30, 1979

LORRAINE COLAW
NOTARY PUBLIC
Sedgwick County, Kansas
MY COMMISSION EXPIRES JUNE 30, 1979