

# MAYER, BROWN & PLATT

231 SOUTH LA SALLE STREET

WASHINGTON  
LONDON  
NEW YORK  
DENVER  
HOUSTON

CHICAGO, ILLINOIS 60604

(312) 750-3442

WRITER'S DIRECT DIAL NUMBER

January 7, 1986

6-014A083

No.

Date JAN 14 1986

Fee \$

10.00

ICC Washington, D.C.

312-782-0600  
TELEX 253760  
CABLE LEMAY

Honorable James H. Bayne  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue N.W.  
Washington, D.C. 20423

RECORDATION NO. 14368 A Filed 1986

JAN 14 1986 - 11 20 AM

INTERSTATE COMMERCE COMMISSION

JAN 14 11 15 AM '86  
100 OFFICE OF  
TELETYPE UNIT

Gentlemen:

On behalf of Continental Illinois National Bank and Trust Company of Chicago, I submit for filing and recording under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, two enclosed executed counterparts of the following primary document, which has not been previously recorded:

1. First Amendment to Security Agreement and Financing Statement dated as of December 19, 1985.

- a. Assignor: Zeigler Coal Company  
and certain of its  
subsidiaries as identified  
in the document  
2700 River Road  
Des Plaines, Illinois 60018
- b. Assignee: Continental Illinois National  
Bank and Trust Company of  
Chicago  
231 South LaSalle Street  
Chicago, Illinois 60697
- c. Amends: Security Agreement and  
Financing Statement, dated  
as of January 31, 1985,  
among the same parties;  
ICC assigned recordation  
number 14568 (filed and  
recorded 2/4/85).

I have enclosed herewith a check in the amount of \$10.00 as payment in full of the filing and recording fee.

MAYER, BROWN & PLATT

Honorable James H. Bayne  
Washington, D.C.

-2-

January 7, 1986

Once this filing has been made, please return to me the stamped counterpart of the document not required for filing purposes, together with the fee receipt and the letter from the ICC acknowledging the filing. I have enclosed a stamped, self-addressed envelope for that purpose.

Please call me if there are any questions with respect to this matter.

Cordially,

A handwritten signature in dark ink, appearing to read "Ron Given". The signature is written in a cursive style with a large initial "R" and a long horizontal stroke extending to the right.

Ronald B. Given

RBG:cjd  
Enclosures

cc: Ann E. Steck

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

1/14/86

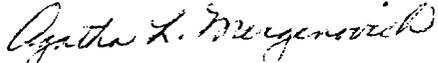
OFFICE OF THE SECRETARY

Ronald B. Given  
Mayer, Brown & Platt  
231 South LaSalle Street  
Chicago, Ill. 60604

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 1/14/86 at 11:20am , and assigned re-  
recording number(s). 14568-A

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

ACKNOWLEDGEMENT COPY

RECORDATION NO. *14568A* Filed 1426

JAN 14 1986 - II 20 AM

INTERSTATE COMMERCE COMMISSION

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FIRST AMENDMENT  
TO  
SECURITY AGREEMENT AND FINANCING STATEMENT

among

ZEIGLER COAL COMPANY,

CERTAIN SUBSIDIARIES OF ZEIGLER COAL COMPANY

and

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO

Dated as of December 19, 1985

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FIRST AMENDMENT  
TO  
SECURITY AGREEMENT AND FINANCING STATEMENT

THIS FIRST AMENDMENT TO SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of December 19, 1985 (this "Amendment"), is among ZEIGLER COAL COMPANY, an Illinois corporation (herein called "Surviving Zeigler Coal"), the subsidiaries of Surviving Zeigler Coal listed on the signature pages hereto (herein, together with Surviving Zeigler Coal, collectively called the "Assignors" and individually called an "Assignor"), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (herein called the "Bank").

W I T N E S S E T H:

WHEREAS, a corporate predecessor of Surviving Zeigler Coal and the other Assignors have heretofore entered into with the Bank that certain Security Agreement and Financing Statement, dated as of January 31, 1985 (herein called the "Security Agreement"), to secure, among other things, payment of indebtedness owed or to be owing to the Bank pursuant to the terms of a certain Loan Agreement, dated as of January 31, 1985 (herein called the "Original Agreement"), among Zeigler Coal Holding Company (being the entity referred to as "Holding" in the Security Agreement and being herein referred to by the same terms), the predecessor corporations of Surviving Zeigler Coal and the Bank, including, without limitation, indebtedness evidenced by that certain promissory note assumed by Surviving Zeigler Coal, dated January 31, 1985, in the original principal amount of \$44,000,000, payable to the Bank or its order on or before December 31, 1993, bearing interest at the rates provided for therein, and containing provisions for payment of attorneys' fees and acceleration of maturity in the event of default, as therein set forth (said note being the "Credit Note" referred to in the Security Agreement and being herein referred to by the same term);

WHEREAS, Surviving Zeigler Coal is the "Surviving Zeigler Coal" referred to in the Security Agreement;

WHEREAS, the Security Agreement has been filed as set forth in Schedule I hereto;

WHEREAS, pursuant to the terms of a certain Amendment, dated as of December 19, 1985 (herein called the "First Amendment"; the Original Agreement, as amended by the First

Amendment, being herein called the "Loan Agreement"), among Holding, Surviving Zeigler Coal and the Bank, Surviving Zeigler Coal has executed and delivered to the Bank its new promissory note, dated January 31, 1985, in the original principal amount of \$41,000,000, payable to the Bank or its order on or before December 31, 1993, bearing interest at the rates provided for therein, and containing provisions for payment of attorneys' fees and acceleration of maturity in the event of default, as therein set forth (herein called the "Replacement Note"), said Replacement Note evidencing to the extent of \$41,000,000, a renewal of the principal amount of the Credit Note;

WHEREAS, the Illinois Development Finance Authority has agreed to issue and deliver certain of its bonds (the "Bonds") to Commercial National Bank of Chicago and Albany Bank and Trust Company, N.A. (together with any successor holders of the Bonds, whether immediate or remote, herein called the "Purchasers"), and to lend the proceeds therefrom to Surviving Zeigler Coal;

WHEREAS, pursuant to the First Amendment and to assure payment of the Bonds, the Bank has agreed to issue its irrevocable letters of credit, for the account of Surviving Zeigler Coal and for the benefit of the Purchasers, said letters of credit being in the original aggregate stated amount of \$2,742,876.71 and each having an original expiry date of December 23, 1990 (said letters of credit, as the same may hereafter be extended, renewed, amended or otherwise modified, being herein called the "Letters of Credit"); and

WHEREAS, the parties hereto desire to amend the Security Agreement so as, among other things, to include in the Liabilities (as defined in the Security Agreement and used herein with the meaning assigned to such term therein) the Replacement Note, all obligations and liabilities of Surviving Zeigler Coal to the Bank now or hereafter existing under or in connection with each of the Letters of Credit, and all other obligations and liabilities of Surviving Zeigler Coal and Holding under the First Amendment;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties agree as follows:

1. The Replacement Note, all obligations and liabilities of Surviving Zeigler Coal to the Bank now or hereafter existing under or in connection with each of the Letters of Credit and all other obligations and liabilities of Surviving Zeigler Coal and Holding under the First Amendment

are hereby made a part of the Liabilities, and the term "Liabilities" shall, when used in the Security Agreement, be deemed to include the Replacement Note, all obligations and liabilities of Surviving Zeigler Coal to the Bank now or hereafter existing under or in connection with each of the Letters of Credit and all other obligations and liabilities of Surviving Zeigler Coal and Holding under the First Amendment, as well as and in addition to the items of Liabilities described in the Security Agreement. Each reference in the Security Agreement to the Loan Agreement shall be deemed to include reference to the First Amendment. Each reference in the Security Agreement to a Note or the Notes shall be deemed to include a reference to the Replacement Note.

2. All warranties, covenants and agreements contained in the Security Agreement are hereby remade by the Assignors and are in full force and effect as of the date hereof.

3. The indebtedness evidenced by the Credit Note referred to in the Security Agreement is a continuing indebtedness and nothing contained herein or in the Replacement Note or in the First Amendment shall be construed to deem said note paid or to release or terminate any lien or security interest securing the same.

4. This instrument shall be deemed to be an amendment to the Security Agreement, and as hereby amended, the Security Agreement is in all respects ratified, approved, and confirmed. All references to the Security Agreement shall hereafter be deemed to refer to the Security Agreement as amended hereby.

5. This Amendment shall be deemed to be a contract made under the laws of the State of Illinois and for all purposes shall be construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereto authorized, as of the date first above written.

Address: ZEIGLER COAL COMPANY  
2700 River Road  
Des Plaines, Illinois 60018  
Attention: President  
By *C. Blaylock*  
*Via President*

Address: JEFFERSON OIL AND GAS CORPORATION  
2700 River Road  
Des Plaines, Illinois 60018  
Attention: President  
By *C. Blaylock*  
Title: *Via President*

Address: ZETO INDUSTRIES, INC.  
2700 River Road  
Des Plaines, Illinois 60018  
Attention: President  
By *C. Blaylock*  
Title: *Via President*

Address: CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO  
231 South LaSalle Street  
Chicago, Illinois 60697  
Attention: Mining Division  
By *Will E. Funks*  
Vice President

SCHEDULE I

A Security Agreement and Financing Statement, dated as of January 31, 1985, executed by Zeigler Coal Company, Jefferson Oil and Gas Corporation, Zeto Industries, Inc. and Continental Illinois National Bank and Trust Company of Chicago, was filed as follows:

<u>Secretary of State</u>	<u>UCC Recording Data</u>
Illinois	1/31/85 - #1960781
Indiana	2/5/85 - #1117235
Colorado	2/5/85 - #773841
Florida	2/5/85 - #1850017044
Kentucky	2/5/85 - #115316
Missouri	2/5/85 - #1162739
Texas	2/5/85 - #85-029764
Iowa	2/5/85 - #H192961
<u>Interstate Commerce Commission</u>	2/4/85 - #14568