# ARAPAHOE COLORADO NATIONAL BANK

2401 EAST ARAPAHOE ROAD • LITTLETON, COLORADO 80122 • (303) 795-1212

December 27, 1979

RECORDATION NO. 11021-A Filed 1425

JAN 17 1980 -9 20 PM

INTERSTATE COMMERCE COMMISSION

No. 0-017A011
Date JAN 17 1980
Fee $ 50.00
ICC Washington, D. C.

Interstate Commerce Commision
Interstate Commerce Building
Washington, D.C. 20044

Re: Security Interest of Arapahoe Colorado National Bank

Ladies and Gentlemen:

You are hereby requested to record the enclosed Security Agreement, of which there is one original and two counterparts thereof. Enclosed is a check in the amount of $50 to cover your recordation fee.

Under the Security Agreement, Maude Company, whose address is 7440 South Jackson Circle, Littleton, Colorado 80122, grants a security interest in the equipment hereinafter described in this letter to the Arapahoe Colorado National Bank, a Colorado banking corporation, whose address is 2401 East Arapahoe Road, Littleton, Colorado 80122.

The Security Agreement relates to the railway equipment consisting of two hopper cars ICC Road Numbers PLMX ~~11094 & 11095~~. 11090 – 11091

When recorded, the document should be returned to: Arapahoe Colorado National Bank
P.O. Box 2619
Littleton, Colorado 80161

Very truly yours,

Bev Whitaker

Bev Whitaker
Loan Department
Arapahoe Colorado National Bank

# Interstate Commerce Commission
Washington, D.C. 20423

1/21/80

OFFICE OF THE SECRETARY

Dev Whitaker
Loan Dept.
Arapahoe Colorado National Bank
2401 East Arapahoe Road
Littleton, Colorado 80122

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 1/17/80 at 9:20am, and assigned re-recordation number(s). 11021-A

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO 11082-A Filed 1425
JAN 17 1980 -9 22 PM
INTERSTATE COMMERCE COMMISSION

# SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and dated this 19th day of December, 19 79, by and between Arapahoe Colorado National Bank, a Colorado banking corporation ("Secured Party") and Maude Company, an individual ("Debtor").

## RECITALS

A. As security for the payment and performance of its obligations to Secured Party under this Security Agreement, it is the intent of Debtor to grant to Secured Party and to create a security interest in certain property of Debtor, as hereinafter provided.

B. This Security Agreement is entered into as security for the indebtedness of Debtor to Secured Party as evidenced by a promissory note of even date herewith in the principle amount of $ 66,500.00 (the "Note").

## AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor hereby agrees as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party a security interest in the property described in Paragraph 2 below (collectively and severally, the "Collateral") to secure payment and performance of the obligations of Debtor to Secured Party described in Paragraph 3 below (collectively and severally, the "Obligations").

2. Collateral. The Collateral shall consist of the following:

A. Equipment - two (2) rail cars, as more particularly described on Exhibit A attached hereto, any and all additions or accessions thereto, any substitutions therefor and any proceeds thereof (the "Equipment").

B. All accounts, contract rights, instruments, and other rights of Debtor with respect to the Equipment, including but not limited to, any and all leases of the Equipment; the Management Agreement dated 10-26-79 with respect to the Equipment between Debtor and PLM Railcar Mangement, Inc., a California corporation ("Management Agreement"); any and all rents and other monies which are now or may hereafter be payable to Debtor on account of the Equipment and such agreements; and any and all guarantees, endorsements, warranties, indemnity agreements, maintenance agreements, insurance policies, or other agreements pertaining to such agreements or the Equipment, and any and all monies due or to become due and payable under the foregoing. As used herein, the term "account" shall have the same meaning as set forth in the Colorado Commercial Code.

C. All proceeds of the foregoing Collateral. For purposes of this Security Agreement, the term "proceeds" includes whatever is receivable or received when Collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto, and all rights to payment with respect to any cause of action affecting or relating to the Collateral.

3. Obligations. The Obligations of Debtor secured by this Security Agreement shall consist of any and all debts, obligations and liabilities of Debtor to Secured Party rising out of, connected with or related to the Agree-

ment, including, without limitation, the Note and all amendments or extensions or renewals of the Note, and/or this Security Agreement, whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred.

4. Representations and Warranties. Debtor hereby represents and warrants that:

(a) except as contemplated in the Management Agreement, Debtor is the owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the owner thereof) and that no other person, entity, agency or government has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of security interest or other lien or charge or otherwise) in, against or to the Collateral;

(b) all information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Debtor with respect to the Collateral is true and correct; and

(c) Debtor has the authority to enter into this Security Agreement and to be obligated under the terms of the Note, and any person signing this Security Agreement and/or Note has been duly authorized to sign the same.

5. Covenants of Debtor. In addition to all covenants and agreements of Debtor set forth in the Agreement, which are incorporated herein by this reference, Debtor hereby agrees:

(a) to do all acts that may be necessary to maintain, preserve and protect the Collateral;

(b) not to use or permit any Collateral to be used unlawfully or in violation of any provision of this Security Agreement, or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral;

(c) to pay promptly when due all taxes, assessments, charges, encumbrances and liens now or hereafter imposed upon or affecting any Collateral;

(d) to notify Secured Party promptly of any change in Debtor's name or place of business, or, if Debtor has more than one place of business, its head office, or office in which Debtor's records relating to the Collateral are kept;

(e) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by Secured Party to perfect, maintain and protect its security interest hereunder and the priority thereof and to deliver promptly to Secured Party all originals of Collateral or proceeds consisting of chattel paper or instruments;

(f) to appear in and defend any action or proceeding which may affect its title to or Secured Party's interest in the Collateral;

(g) if Secured Party gives value to enable Debtor to acquire rights in or the use of any Collateral, to use such value for such purpose;

(h) to keep separate, accurate and complete records of the Collateral and to provide Secured Party with such records and such other reports and information relating to the Collateral as Secured Party may request from time to time;

(i) except as contemplated by the Management Agreement, not to surrender or lose possession of (other

than to Secured Party), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein and to keep the Collateral free of all levies and security interests or other liens or charges except those approved in writing by Secured Party;

(j) to keep the Collateral in good condition and repair;

(k) not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral;

(l) at any reasonable time and subject to the rights of any lessees of the Collateral, upon demand by Secured Party, to exhibit to and allow inspection by Secured Party (or persons designated by Secured Party) of the Collateral;

(m) to comply with all laws, regulations and ordinances relating to the possession, operation, maintenance and control of the Collateral;

(n) to keep and operate the Collateral solely within the continental limits of the United States;

(o) to place upon the Collateral appropriate identifying marks to indicate Debtor is owner and Secured Party is financier of the Collateral, if the Lessee of such Collateral requires its own markings on the Collateral;

(p) to insure the Collateral, with Secured Party named as loss payee, in form and amounts, with companies, and against risks and liabilities satisfactory to Secured Party, and Debtor hereby assigns the policies to Secured Party, agrees to deliver them to Secured Party at its request, and agrees that Secured Party may make any claim thereunder, cancel the insurance on default by Debtor, collect and receive payment of and endorse any instrument in payment of loss or return premium or other refund or return, and apply

such amounts received, at Secured Party's election, to replacement of Collateral; and

(q) without consent of the Secured Party, to permit any amendment, modification, termination, or assignment of the Management Agreement.

6. Authorized Action by Secured Party. Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact to do (but Secured Party shall not be obligated to and shall incur no liability to Debtor or any third party for failure so to do) any act which Debtor is obligated by this Security Agreement to do, and to exercise such rights and powers as Debtor might exercise with respect to the Collateral, including, without limitation, the right to:

(a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral;

(b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral;

(c) insure, process and preserve the Collateral;

(d) transfer the Collateral to its own or its nominee's name; and

(e) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral. Debtor agrees to reimburse Secured Party upon demand for any costs and expenses, including, without limitation, attorneys' fees, Secured Party may incur while acting as Debtor's attorney-in-fact hereunder, all of which costs and expenses are included in the Obligations secured hereby. It is further agreed and understood between the parties hereto

that such care as Secured Party gives to the safekeeping of its own property of like kind shall constitute reasonable care of the Collateral when in Secured Party's possession; provided, however, that Secured Party shall not be required to make any presentment, demand or protest, or give any notice and need not take any action to preserve any rights against any prior party or any other person in connection with the Obligations or with respect to the Collateral.

9. Events of Default. Upon occurrence of any of the following (herein referred to as "Event of Default"), the entire principal amount outstanding of the indebtedness described in Paragraph 3 hereof and accrued interest thereon shall at once become due and payable at the option of the Secured Party:

(a) Debtor defaults in the payment of any installment of the principle of or interest on the Note as and when due and payable;

(b) Debtor fails to observe and perform each and every condition, covenant and obligation stated in this Security Agreement or the Obligation secured hereby which is to be observed or performed by it;

(c) Debtor shall (1) apply for or consent to the appointment of a receiver, trustee or liquidator for any of the property or assets of Debtor, (2) admit in writing the inability to pay any debts as they mature, (3) make a general assignment for the benefit of creditors, (4) be adjudicated a bankrupt or insolvent, or (5) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or 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 Debtor in any proceeding under any such law;

(d) A court proceeding shall be initiated involving the Collateral or involving any transaction which would affect the ownership or possession of the Collateral;

(e) An involuntary petition shall be filed under any bankruptcy statute against Debtor, or a receiver or trustee shall be appointed to take possession of the properties of Debtor or possession of the Equipment or other Collateral described in this Security Agreement, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of filing or appointment;

(f) Final judgment for the payment of money in excess of $5,000 shall be rendered against Debtor and the same shall remain undischarged for a period of thirty (30) days during which execution shall not be effectively stayed;

(g) Failure of Debtor to pay any tax, assessment, fine, imposition or other charge or claim, including, without limitation, claims of any contractor, subcontractor, laborer, materialman or supplier, which if unpaid, might become a lien or a charge upon the Collateral described in this Security Agreement;

(h) Failure of Debtor to observe each and every agreement to be observed by Debtor under the Management Agreement; or

(i) Termination of the Management Agreement; or

(j) Default under any other agreement, note or obligation of Debtor, which Debtor has with the Secured Party, or any other financial institution.

10. Remedies of Secured Party. Upon the occurrence of any such Event of Default, Secured Party may, at

its option, in addition to its rights under Paragraph 9 above, and without notice to or demand on Debtor and in addition to all rights and remedies otherwise available to Secured Party, do any one or more of the following:

(a) foreclose or otherwise enforce Secured Party's security interest in any manner permitted by law, or provided for in this Security Agreement;

(b) sell, lease or otherwise dispose of any Collateral at one or more public or private sales, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as Creditor may determine;

(c) recover from Debtor all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred or paid by Secured Party in exercising any right, power or remedy provided by this Security Agreement or by law;

(d) require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party;

(e) enter onto property where any Collateral is located and take possession thereof with or without judicial process; and

(f) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent Secured Party deems appropriate and in connection with such preparation and disposition, without charge, use any trademark, tradename, copyright, patent or technical process used by Debtor.

11. Priority of Security Agreement. The Management Agreement and PLM Railcar Management, Inc.'s authority and

rights thereunder, and all leases pertaining to the Collateral are subject and subordinate to Secured Party's security interest in the Collateral, provided, however, Secured Party agrees that (i) so long as PLM Railcar Management, Inc. is not in default under the terms of the Management Agreement, Secured Party will recognize the Management Agreement and PLM Railcar Management, Inc.'s rights thereunder, including the right to collect Gross Revenues as defined therein; and (ii) so long as any lessee of the Collateral is not in default under the terms of its lease with the Debtor, Secured Party will recognize such lease and shall abide by its terms. Secured Party's obligations pursuant to this paragraph are subject to the attornment of said lessee and/or PLM Railcar Management, Inc., as the case may be, to the Secured Party, its successors and assigns. The terms of this paragraph shall be reflected accordingly in all leases pertaining to the Collateral and in the Management Agreement.

12. Waiver of Hearing. Debtor expressly waives any constitutional or other right to a judicial hearing prior to the time Secured Party takes possession or disposes of the Collateral upon default as provided in Paragraphs 9 and 10 hereof.

13. Cumulative Rights. The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute or rule of law, the Agreement or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's security interest in the Collateral.

14. Waiver. Any forebearance or failure to delay by Secured Party in exercising any right, power or remedy shall not preclude the further exercise thereof, and

every right, power or remedy of Secured Party shall continue in full force and effect until such right, power or remedy is specifically waived in a writing executed by Secured Party. Debtor waives any right to require Secured Party to proceed against any person or to exhaust any Collateral or to pursue any remedy in Secured Party's power.

15. Setoff. Debtor agrees that Secured Party may exercise its rights of setoff with respect to the Obligations in the same manner as if the Obligations were unsecured.

16. Binding Upon Successors. All rights of Secured Party under this Security Agreement shall inure to the benefit of its successors and assigns, and all obligations of Debtor shall bind its heirs, executors, administrators, successors and assigns.

17. Entire Agreement; Severability. This Security Agreement contains the entire security agreement between Secured Party and Debtor. If any of the provisions of this Security Agreement shall be held invalid or unenforceable, this Security Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

18. References. The singular includes the plural. If more than one executes this Security Agreement, the term Debtor shall be deemed to refer to each of the undersigned as well as to all of them, and their obligations and agreements hereunder shall be joint and several. If any of the undersigned is a married person, recourse may be had against his or her separate property for the Obligations.

19. Choice of Law. This Security Agreement shall be construed in accordance with and governed by the laws of the State of Colorado , and, where applicable and except as otherwise defined herein, terms used herein shall have the

# EXHIBIT A

Two ( 2 ) 5750 cubic foot capacity, 100 ton truck, vacuum pneumatic unloading system, covered hopper railroad cars, ICC Road Number(s)

PLMX 11090
PLMX 11091.

meanings given them in the Colorado Uniform Commercial Code.

20. Notice. Any written notice, consent or other communication provided for in this Security Agreement shall be delivered or sent by registered U.S. mail, with postage prepaid, to the following addresses:

Secured Party:

Debtor: A. Schaap

Marianne J. Schaap

Such addresses may be changed by written notice given as provided herein.

EXECUTED this ____ day of _____, 19__.

_____
Debtor

By_____
Title:
Secured Party

STATE OF COLORADO )
) ss:
COUNTY OF Arapahoe )

On this 19th day of December, 1979, before me personally appeared A. & MARIANNE J. SCHARP, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged that they executed the same as ~~his~~ THEIR free act and deed.

[Seal]

Leila E. Lundberg
Notary Public

My commission expires
4-6-81

ARAPAHOE COLORADO NATIONAL BANK
2401 EAST ARAPAHOE ROAD • LITTLETON, COLORADO 80122 • (303) 795-1212

January 26, 1981

Interstate Commerce Commission
12th St. & Constitution Ave. N.W.
Washington D.C. 20423

Attn: Mildred Lee
Room 2303 · Personal

Dear Ms. Lee:

In reference to your phone call to us on January 26, 1981 concerning a security agreement for Maude Company, which was recorded on 1-17-80 (No. 0-017A011). The ICC Road Numbers for the two railroad cars were incorrect on the security agreement.
This letter is to state that the correct numbers should be PLMX 11090 and PLMX 11091, rather than PLMX 11094 and 11095.
Please make the corrections needed. Thank you very much for your assistance in this matter.

Sincerely,

Bev Whitaker

Bev Whitaker
Loan Department