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February 15, 1988

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FILE NUMBER

Interstate Commerce Commission
Attention: Mildred Lee
Room 2303
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. *14568 F*
Filed & Recorded
FEB 18 1988 10:30 AM
INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

I herewith enclose a document known as

Fourth Amendment to Security Agreement
and Financing Statement dated as of
January 19, 1988.

The names and addresses of the parties to this document are as follows:

Zeigler Coal Company
331 Salem Place
Fairview Heights, Illinois 62208

Jefferson Oil & Gas Corporation
331 Salem Place
Fairview Heights, Illinois 62208

Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60697

Please file this document in your lien records. I enclose a check in the amount of \$13.00 for your fees. Please call me collect if you have any questions. I enclose a self-addressed, stamped envelope for you to return to me the filed, stamped copy.

Sincerely,

Mary Ann Swanger
Mary Ann Swanger
Paralegal

MAS/jv
Enclosure

RECORDATION NO. 14556-E Filed & Recorded

FEB 18 1989 10-30 AM

INTERSTATE COMMERCE COMMISSION

Illinois)
)
) SS.
Cook)

The attached document is a true and correct copy of the original.

Patricia H. Trechel



RECORDATION NO. 14568-E Filed & Recorded

FEB 18 1988 10-30 AM

INTERSTATE COMMERCE COMMISSION

FOURTH AMENDMENT
TO
SECURITY AGREEMENT AND FINANCING STATEMENT

among

ZEIGLER COAL COMPANY,
JEFFERSON OIL & GAS CORPORATION

and

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

Dated as of January 19, 1988

FOURTH AMEDEMMENT
TO
SECURITY AGREEMENT AND FINANCING STATEMENT

THIS FOURTH AMEDEMMENT TO SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of January 19, 1988 (this "Amendment"), is among ZEIGLER COAL COMPANY, an Illinois corporation (herein called "Borrower"), JEFFERSON OIL & GAS CORPORATION, an Illinois corporation (herein called "Jefferson" and, together with Borrower, 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, Borrower, Zeigler Coal Holding Company, a Delaware corporation ("Holding"), and the Bank are parties to a Loan Agreement, dated January 31, 1985, as amended or modified as of December 19, 1985, January 26, 1987, January 30, 1987, February 20, 1987, March 26, 1987, April 30, 1987, August 18, 1987 and October 15, 1987 (as so amended and modified, the "Original Loan Agreement"), pursuant to which the Bank has

- (i) agreed to make loans to Borrower from time to time, such loans being evidenced by a promissory note dated January 31, 1985 executed by Borrower to the order of the Bank in an original principal amount of \$41,000,000 (the "Original Loan Agreement Note"),
- (ii) issued Irrevocable Letter of Credit No. 6432752, dated December 23, 1985, in favor of Commercial National Bank of Chicago for the account of Borrower in the maximum amount of \$2,194,301.37 (such letter of credit, as the same may hereafter be transferred or assigned by the original beneficiary or any successor beneficiary, or amended or modified in any way, and including all extensions and renewals thereof or thereto, being referred to in the Original Loan Agreement as the "Letter of Credit (Commercial)" and being referred to herein by the same term),
- (iii) issued Irrevocable Letter of Credit No. 6432763, dated December 23, 1985, in favor of Albany Bank and Trust Company, N.A. for the account of Borrower in the maximum amount of \$548,575.34 (such letter of credit, as the same may hereafter be transferred or assigned by the original beneficiary or any successor beneficiary, or amended or modified in any way, and including all extensions and renewals thereof or

thereto, being referred to in the Original Loan Agreement as the "Letter of Credit (Albany)" and being referred to herein by the same term), and

- (iv) issued Irrevocable Letter of Credit No. 6500416, dated February 20, 1987, in favor of the U.S. Department of Labor, division of Coal Mine Workers Compensation for the account of Borrower in the maximum amount of \$2,500,000 (as the same may hereafter be transferred or assigned by the original beneficiary or any successor beneficiary, or amended or modified in any way, and including all extensions and renewals thereof or thereto, the "Original Black Lung LC"),

the maximum permissible amount as of the date hereof (but prior to the execution and delivery of the Credit Agreement referred to below) of the sum of (x) the aggregate principal amount of such loans and (y) the aggregate face amount of the letter of credit referred to in subclause (iv) above, in each case at any time outstanding, being \$32,136,876.70;

WHEREAS, Borrower and the Bank are parties to an Amended and Restated Line of Credit Agreement dated as of January 31, 1987, as amended as of February 6, 1987 and August 18, 1987 (as so amended, the "Line of Credit"), pursuant to which the Bank has agreed that Borrower may from time to time request that the Bank

- (i) make advances to Borrower, such advances being evidenced by a promissory note dated January 31, 1987 executed by Borrower to the order of the Bank in an original principal amount of \$4,000,000 (the "Demand Note") and
- (ii) accept drafts drawn on the Bank by Borrower,

the maximum permissible amount as of the date hereof (but prior to the execution and delivery of the Credit Agreement referred to below) of the sum of (x) the aggregate principal amount of all such advances and (y) the aggregate face amount of all such accepted drafts, in each case at any time outstanding, being \$4,000,000;

WHEREAS, pursuant to a Guaranty dated April 30, 1987 (herein called the "Guaranty") executed by Holding in favor of the Bank, Holding guaranteed certain obligations of Borrower under the Original Loan Agreement;

WHEREAS, a corporate predecessor of Borrower (such predecessor also having been called Zeigler Coal Company), Jefferson and Zeto Industries, Inc., an Illinois corporation (herein called "Zeto") have entered into with the Bank that certain Security Agreement and Financing Statement, dated as of January 31, 1985 and heretofore amended (as so amended, herein called the "Security Agreement"), to secure, among other things, all of the obligations of Borrower, the predecessor corporations of Borrower and Holding under or in connection with Original Loan Agreement and the Line of Credit;

WHEREAS, Borrower is the "Borrower" referred to in the Security Agreement and has assumed all of such corporate predecessor's obligations thereunder;

WHEREAS, Zeto has been dissolved and the Security Agreement has been amended so as to, among other things, delete Zeto as a party;

WHEREAS, the Security Agreement and related financing statements have been filed as set forth in Schedule I hereto;

WHEREAS, contemporaneously herewith Borrower, Holding and the Bank are entering into an Amended and Restated Credit Agreement, dated as of the date hereof (as the same may at any time be amended or modified and in effect, the "Credit Agreement") for the purpose, among other things, of (i) consolidating the credit facilities provided in the Original Loan Agreement, the Line of Credit and the Guaranty in a single agreement (being the Credit Agreement), (ii) increasing the commitment of the Bank to make loans to Borrower and to accept drafts drawn by Borrower on the Bank, and (iii) expanding Holding's guaranty to cover all obligations of Borrower to the Bank;

WHEREAS, to evidence loans outstanding under the Original Loan Agreement and the Line of Credit, as well as additional loans made by the Bank to Borrower under the Credit Agreement, Borrower is contemporaneously herewith executing and delivering to the Bank Borrower's promissory note, dated the date hereof and payable to the order of the Bank in the original principal amount of \$65,000,000 (herein, together with all extensions and renewals thereof and replacements therefor, called the "Note"), which Note is, to the extent of \$29,393,999.99 and \$4,000,000, respectively, a consolidation of, and replacement and substitution for, the Original Loan Agreement Note and the Demand Note;

WHEREAS, the Credit Agreement provides that, at any time, the sum of (i) the aggregate principal amount of loans then outstanding under the Credit Agreement, plus (ii) the aggregate face amount of drafts outstanding under the Credit Agreement shall not exceed \$65,000,000;

WHEREAS, the Letter of Credit (Commercial), the Letter of Credit (Albany) and the Original Black Lung LC shall remain outstanding under the Credit Agreement, and the Bank may agree, subject to certain conditions specified in the Credit Agreement, to issue additional letters of credit thereunder to support Borrower's liabilities under applicable law to its employees which have, or which may have, contracted Black Lung disease (all such letters of credit, as the same may hereafter be transferred or assigned by the original beneficiary or any successor beneficiary, or amended or modified in any way, and including all extensions and renewals thereof or thereto, being referred to as the "Letters of Credit;" and all Letters of Credit pertaining to Borrower's Black Lung liabilities being herein collectively called the "Letters of Credit (Black Lung)");

WHEREAS, a condition precedent to the effectiveness of the Credit Agreement is the execution and delivery of this Amendment; 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) all obligations and liabilities of Borrower and Holding now are hereafter existing under or in connection with the Credit Agreement;

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

1. As collateral security for the prompt and complete payment of the Liabilities, each Assignor has assigned and hereby assigns to the Bank, and granted and hereby grants the Bank a security interest in, all such Assignor's property, whether now or hereafter existing, arising or acquired and including without limitation the items described in Section 2 of the Security Agreement.

2. All obligations and liabilities of Borrower and Holding now or hereafter existing under or in connection with the Credit Agreement and the Note are hereby made a part of the Liabilities, and the term "Liabilities" shall, when used in the Security Agreement, be deemed to include all such obligations and liabilities now or hereafter existing, as well as and in addition to the items of Liabilities described in the Security Agreement. Each reference in the Security Agreement to the Original Loan Agreement or the Line of Credit shall be deemed to include reference to the Credit Agreement, and each reference in the Security Agreement to the Original Loan Agreement Note or the Demand Note shall be deemed to include reference to the Note.

3. The indebtedness arising under the Original Loan Agreement, the Original Loan Agreement Note, the Line of Credit and the Demand Note is a continuing indebtedness and nothing contained herein or in any other document shall be construed to deem to have paid such indebtedness, or as a novation of such indebtedness or the Security Agreement, or to release or terminate any lien or security interest which secures the payment of such indebtedness, and all liens and security interests which secure the payment of such indebtedness (including, without limitation, those created by the Security Agreement) shall continue in full force and effect, unimpaired from the date of their creation and perfection.

4. All warranties, covenants and agreement contained in the Security Agreement are hereby remade by the Assignors and are in full force and effect as of the date hereof except insofar as the Assignors have provided the Bank with written notice of changes or exceptions thereto prior to the date hereof.

5. This Amendment 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.

6. 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:

331 Salem Place
Fairview Heights, Illinois 62208
Attention: President

ZEIGLER COAL COMPANY

By 
Title: Vice President

Address:

331 Salem Place
Fairview Heights, Illinois 62208
Attention: President

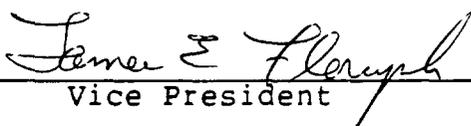
JEFFERSON OIL & GAS
CORPORATION

By 
Title: Vice President

Address:

231 South LaSalle Street
Chicago, Illinois 60697
Attention: Mining Division

CONTINENTAL ILLINOIS
NATIONAL BANK AND TRUST
COMPANY OF CHICAGO

By 
Vice President

SCHEDULE I

A. Security Agreement and Financing Statement, dated as of January 31, 1985, executed by Zeigler Coal Company, Jefferson Oil & 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
Interstate Commerce Commission	2/4/85 - #14568

B. First Amendment to Security Agreement and Financing Statement, dated as of December 19, 1985, between Zeigler Coal Company, certain subsidiaries of Zeigler Coal Company and Continental Illinois National Bank and Trust Company of Chicago, was filed as follows:

<u>Secretary of State</u>	<u>UCC Recording Data</u>
Colorado	1/13/86 - #862531
Florida	1/9/86 - #3860001739
Illinois	1/14/86 - #2091913
Indiana	1/10/86 - #1215892
Iowa	1/6/86 - #H389242
Kentucky	1/6/86 - #115317
Missouri	1/13/86 - #1282092

Texas

2/12/86 - #85-029764

Interstate Commerce
Commission

1/14/86 - #14568-A

C. Letter Agreement dated January 30, 1987 standing as a UCC-3 Financing Statement to amend certain Security Agreements to delete as Debtor Zeto Industries, Inc. (all in central UCC records):

<u>Jurisdiction</u>	<u>Amendment Filing Data</u>
Illinois	2286476 5/27/87
Indiana	1351534 3/23/87
Colorado	00974607 3/23/87
Florida	3870019088 2/5/85
Kentucky	115316 5/23/87
Missouri	1437187 3/23/87
Texas	85-029764 3/23/87
Iowa	H652334 3/23/87
Interstate Commerce Commission	14568-B 3/31/87

D. Second Amendment to Security Agreement and Financing Statement, dated as of January 31, 1987, between Zeigler Coal Company, Jefferson Oil & Gas Corporation 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	2286477 5/27/87
Indiana	1351536 3/23/87
Colorado	00974609 3/23/87
Florida	3870019094 3/23/87
Kentucky	3/23/87
Missouri	1437189 3/23/87
Texas	3/23/87
Iowa	H652336 3/23/87
Interstate Commerce Commission	1:568-C 3/31/87

E. Amendment to Security Agreement and Financing Statement, dated as of February 20, 1987, between Zeigler Coal Company, Jefferson Oil & Gas Corporation and Continental Illinois National Bank and Trust Company of Chicago, was filed as follows:

<u>Jurisdiction</u>	<u>Filing Data</u>
Illinois	2286478 5/27/87
Indiana	1351537 3/23/87
Colorado	00974610 3/23/87
Florida	3870019096 3/23/87
Kentucky	3/23/87
Missouri	1437190 3/23/87
Texas	3/23/87
Iowa	H652337 3/23/87
Interstate Commerce Commission	14568-D 3/31/87

F. UCC-3 Amendment to correct the name of Jefferson Oil & Gas Corporation as it appeared on a 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 January 31, 1985 (all in the central UCC records of the following states):

<u>Jurisdiction</u>	<u>Filing Data</u>
Illinois	2286476 5/27/87

Indiana	1351535 3/23/87
Colorado	00974608 3/23/87
Florida	3870019091 3/23/87
Kentucky	115316 3/23/87
Missouri	1437188 3/23/87
Texas	85-029764 3/23/87
Iowa	H652335 3/23/87