

THE EXCHANGE
National Bank of Chicago

July 30, 1985

14761
RECORDATION NO. _____ Filed 1425

AUG 5 1985 -2 30 PM

Interstate Commerce Commission
12th Street & Constitution, N.W. INTERSTATE COMMERCE COMMISSION
Room 2303
Washington, D.C. 20423

Date 8/5/85
Fee \$ 10.00
CC Washington, D. C.

Attn: Mildred Lee

Dear Ms. Lee:

Enclosed please find an original and one notarized copy of a Security Agreement in which Peter V. Fazio, Jr., as Trustee under the Trust Agreement dated as of July 31, 1984 grants to Exchange National Bank of Chicago a security interest in 118 covered hopper rail cars that are listed on Schedule A which is attached to the Security Agreement. Also enclosed is the \$10.00 filing fee. For purposes of your records, the names and addresses of the parties to the transaction are:

Debtor: Peter V. Fazio, Jr. as Trustee under the Trust Agreement dated as of July 31, 1984.
7200 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606

Secured: Exchange National Bank of Chicago
120 South LaSalle Street
Chicago, Illinois 60603

Please return the original Security Agreement with the recording information to my attention in the enclosed envelope.

Sincerely,



Gerri Funke
Commercial Loan Staff Assistant

enclosures

14761

RECORDATION NO. Filed 1425

SECURITY AGREEMENT AUG 5 1985 - 2 50 PM

(Chattel Mortgage) INTERSTATE COMMERCE COMMISSION

July 26, 1985

Peter V. Fazio, Jr., not individually, but solely as Trustee under Trust Agreement dated as of July 31, 1984, whose chief place of business is 7200 Sears Tower, 233 S. Wacker, Chicago, Illinois (herein called "Debtor"), in consideration of a loan made by **EXCHANGE NATIONAL BANK OF CHICAGO**, the Secured Party (herein the "Bank"), as security for the payment of that certain Demand or Time Note of even date in the principal amount of \$1,964,678.00, and any modifications, extensions, renewals or substitutions thereof (herein the "Note"), Debtor does hereby pledge, assign, transfer and deliver to Bank and does hereby grant to Bank a continuing security interest in and to (1) all cash and other properties on deposit in Account No. 2084580 of the Debtor with the Bank and the products and proceeds therefrom; and (2) the property of Debtor set forth below, all proceeds thereof, accessions thereto and substitutions therefore and Debtor's policies of insurance covering any or all of said property, to-wit:

Certain covered hopper rail cars described more fully in Exhibit A attached hereto and made a part hereof;

Covered Hopper Usage Agreement dated September 1, 1984 between International Capital Equipment, Inc. ("ICE") and The Atchison Topeka and Santa Fe Railway Company assigned by ICE to Debtor.

All of the aforesaid property and the products and proceeds therefrom are herein individually and collectively called the "Collateral." The terms used herein to identify the Collateral shall have the respective meanings assigned to such terms as of the date hereof in the Illinois Uniform Commercial Code.

Debtor shall, at Bank's request, at any time and from time to time, execute and deliver to Bank such financing statements and other documents and do such acts as Bank may deem necessary in order to establish and maintain a valid, attached and perfected security interest in the Collateral in favor of Bank, free and clear of all liens, claims and rights of third parties whatsoever. Debtor hereby irrevocably appoints any officer of Bank (designated by Bank for such purpose) its attorney-in-fact, in Debtor's name, place and stead, to execute such financing statements and other documents and to do such other acts as Bank may require to perfect and preserve the Bank's security interest in, and to enforce such interest in, the Collateral, hereby ratifying and confirming all that said attorney-in-fact may do or cause to be done by virtue hereof.

Debtor agrees to deliver to Bank forthwith upon its demand, such other collateral as Bank may request from time to time should the value of the Collateral decline, deteriorate, depreciate or become impaired, or should Bank deem itself insecure for any reason whatsoever, including, but not limited to, a change in the financial condition of Debtor, or any other party liable with respect to the Obligations, and does hereby grant to Bank a continuing security interest in such other Collateral, which, when pledged, assigned and transferred to Bank shall be and become part of the Collateral.

The Bank's security interests in each of the foregoing Collateral shall be valid, complete and perfected whether or not the same shall be covered by a specific assignment. Until default hereunder, Debtor shall be entitled to possession of the Collateral set forth above.

The Bank shall have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as Debtor shall reasonably request in writing, provided that such request shall not be inconsistent with Bank's status as the Secured Party, but failure to comply with any such request shall not be deemed a failure to exercise reasonable care. Debtor shall keep the Collateral in good order and repair and shall have sole responsibility for taking such steps as may be necessary from time to time to preserve all rights of Debtor and Bank in the Collateral against third parties. Debtor shall permit Bank to examine and inspect the Collateral at all reasonable time or times. Debtor, at its chief place of business set forth above, shall keep accurate and complete books and records in accordance with sound and generally accepted accounting principles applied on a basis consistent with prior years. Bank shall have the right at all times during business hours to inspect said books and records and make extracts therefrom.

Debtor covenants with and warrants to Bank that (1) Debtor is the sole owner of the Collateral free from any lien, security interest or encumbrance of any kind; (2) Debtor will not sell, lease or grant any further security interest in the Collateral and will not part with possession of the same, except in the usual and ordinary course of Debtor's business; (3) Debtor will not use or permit the Collateral to be used in violation of any law or ordinance; (4) Debtor will procure and maintain insurance on the Collateral for the full term of this Security Agreement against reasonable risks of loss, damage and destruction (such insurance shall be reasonable in relation to the amount and term of the Obligations and the type and value of the Collateral), and shall deliver to Bank within 10 days from date a fully paid policy of insurance containing a Lender's Loss Payable clause in favor of Bank; (5) If the collateral is to be attached to Real Estate, or if Collateral is crops, a written legal description of said Real Estate along with the name of the record owner thereof shall be attached as an Exhibit to this Agreement and incorporated by reference herein. If any Collateral is attached to Real Estate prior to perfection of the security interest created herein, Debtor will furnish Bank with all necessary disclaimers of interest to that Collateral (which interest is or may be prior to the Bank's interest) executed by all persons interested in said Real Estate.

The Bank may, but is not required to, take such action from time to time as it deems appropriate to maintain or protect the Collateral, and in particular may at any time (1) transfer the whole or any part of the Collateral into the name of itself or its nominee; (2) collect any amounts due on the Collateral directly from persons obligated thereon; (3) vote the Collateral; (4) take control of any proceeds and products of the Collateral; (5) sue or make any compromise or settlement with respect to any of the Collateral; or (6) make an election with respect to the Collateral under § 1111 of the U.S. Bankruptcy Code, now existing or hereafter amended; provided, however, that any such action of Bank as in this paragraph set forth shall not in any manner whatsoever, impair or affect any liability hereunder, nor prejudice or waive nor be construed to impair, affect, prejudice or waive Bank's rights and remedies at law, in equity or by statute, nor release or discharge, nor be construed to release or discharge, Debtor or any guarantor or other person, firm or corporation liable to Bank for the Obligations, whether now existing or hereafter created or arising, howsoever evidenced.

Debtor shall be in default, without notice to or demand on Debtor, hereunder if: (1) any amount payable on any of the obligations of Debtor to Bank (herein "Obligations") is not paid when due; or (2) Debtor shall otherwise fail to perform any of the promises to be performed by Debtor hereunder or under any other security agreement or other agreement with Bank; or (3) there shall be a breach of any warranty or falsity of any representation of Debtor to Bank hereunder or under any other security agreement or other agreement with Bank; or (4) any Obligor who is a natural person dies; or (5) loss, theft, destruction, attachment, levy upon, seizure or forfeiture of the Collateral shall occur; or (6) any proceeding by or against Debtor under any bankruptcy or insolvency statute or by law, shall

have been instituted; or (7) Bank shall deem itself insecure for any reason whatsoever, including but not limited to, a change in the financial condition of Debtor, or any other party liable with respect to the Obligations.

Upon the occurrence of Default hereunder: (1) all Obligations may, at the option of Bank, and without demand, notice or legal process of any kind, be declared, and immediately shall become, due and payable, and Bank may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code and any other applicable law in addition to, and not in lieu of, any rights and remedies expressly granted in this Agreement or in any other agreements, (2) without notice, demand or legal process of any kind, Bank may take possession of any or all of the Collateral (in addition to Collateral of which it already has possession), wherever it may be found, and for that purpose may pursue the same wherever it may be found, and may enter into any of Debtor's premises where any of the Collateral may be or be supposed to be, and search for, take possession of, remove, keep and store any of the Collateral until the same shall be sold or otherwise disposed of, and Bank shall have the right to store the same in any of Debtor's premises without costs to Bank, and (3) at Bank's request, Debtor will, at Debtor's expense, assemble the Collateral and make it available to Bank at a place or places to be designated by Bank which is reasonably convenient to Bank and Debtor. Debtor recognizes that in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this Agreement or the other agreements, no remedy of law will provide adequate relief to Bank, and agrees that Bank shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonable and properly given if given at least five calendar days before such disposition. Any proceeds of any disposition by Bank of any of the Collateral may be applied by Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Bank toward the payment of such of the Obligations, and in such order of application, as Bank may from time to time elect.

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Debtor waives the benefit of any law that would otherwise restrict or limit Bank in the exercise of its right, which is hereby acknowledged, to appropriate at any time hereafter any indebtedness owing from Bank to Debtor if such indebtedness arises from or relates to Account No. 2084580 at the Bank. Debtor waives every defense, cause of action, counterclaim, or set-off which Debtor may now have or hereafter may have to any action by Bank in enforcing payment of the Obligations or the Collateral and ratifies and confirms whatever Bank may do pursuant to the terms hereof and with respect to the Collateral and agrees that Bank shall not be liable for any error of judgment or mistakes of fact or law.

Debtor waives all notices and demands in connection with the enforcement of Bank's rights hereunder, and hereby consents to, and waives notice of the release with or without consideration of any Debtor hereunder or of any Collateral. Any failure of Bank to exercise any right available hereunder or otherwise shall not be construed as a waiver of the right to exercise the same or any other right at any other time.

Debtor hereby irrevocably appoints any officer of Bank (designated by Bank for such purpose) its attorney-in-fact, in Debtor's name, place and stead, and hereby authorized said attorney-in-fact to execute change of address forms with the Postmaster of the U.S. Post Office serving the address of Debtor, to change the address of Debtor to that of Bank, to open all envelopes addressed to Debtor and apply any payments therein contained to the Obligations, all of which the Bank may, after default, do at its option.

Debtor agrees to pay all expenses of collection, attorneys' fees and court costs, paid

or incurred in enforcing any of Bank's rights hereunder or under any other agreement with Bank, or in connection with the Collateral, promptly on demand of Bank or other person paying or incurring the same.

The Bank may at any time assign the Obligations, or any part thereof, and transfer Bank's rights in any or all of the Collateral, and Bank thereafter shall be relieved from all liability with respect to such Collateral.

The Bank shall have the exclusive right to determine how, when and what application of payments and credits, if any, whether derived from the Debtor, the Collateral, or any other source, shall be made on the Obligations, and such determination shall be conclusive upon the Debtor.

This Agreement shall be governed and construed in accordance with the laws of Illinois and shall be binding upon Debtor and its respective heirs, legal representatives, successors and assigns. If this Agreement contains any blanks when executed by Debtor, Bank is hereby authorized, without notice to Debtor, to complete any such blanks according to the terms upon which any loan or loans have been granted. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or be invalid under such law, such provision shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement.

To the extent that Debtor is either a partnership or a corporation, all references herein to Debtor shall be deemed to include any successors or assigns, whether immediate or remote, to such partnership or corporation. In the case of a joint venture or partnership, the term "Debtor" shall be deemed to include all joint ventures or partners thereof who shall be jointly and severally liable hereunder.

Any notice to be given hereunder shall be in writing and served by certified mail or telegram, postage prepaid, addressed to Debtor at the address set forth above, or at such other address designated by Debtor in writing. Any notice to Bank shall be addressed to it to the attention of the officer who has executed this Agreement, for the Bank, at LaSalle and Monroe Streets, Chicago, Illinois 60603, or such other address as may be designated by it in writing. A notice given as in this paragraph provided shall be presumed to have been received on the business day next following the mailing thereof.

This Agreement and any other written agreement or document executed in connection herewith contain the entire agreement between the parties hereto and no oral representations, promises, agreement or statements of any kind have been made by the parties, or either of them in negotiations leading to this Agreement or otherwise which are not expressed and contained herein or in said other written agreements or documents.

Neither this Agreement nor any term hereof may be orally changed, discharged, terminated or waived but only by an instrument in writing, signed by the party against which enforcement of the change, discharge, termination or waiver is sought.

If Debtor is a corporation, Debtor represents and warrants to Bank that the execution and delivery of this Agreement has been duly authorized by resolutions heretofore adopted by its Board of Directors and Shareholders in accordance with law and its by-laws, that said resolutions have not been amended nor rescinded, are in full force and effect, that the officers executing and delivering this agreement for and on behalf of Debtor are duly authorized so to act. Bank, in executing this Agreement, is expressly relying upon the aforesaid representations and warranties.

As used herein, all provisions shall include the masculine, feminine, neuter, singular and plural thereof, wherever the context and facts require such construction and in particular the word "Debtor" shall be so construed.

This Security Agreement is executed by Peter V. Fazio, Jr., not individually or personally, but solely as Trustee under the Trust Agreement, in the exercise of the power and authority conferred upon and vested in him as such Trustee. It is expressly understood and agreed by the original and each successor owner or holder of the Demand or Time Note referred to above and by each person claiming any rights or security under this Security Agreement, by such owner's or holder's acceptance of such Demand or Time Note or such person's acceptance of any rights or security under this Security Agreement, that nothing herein or in such Demand or Time Note creates any personal liability on Peter V. Fazio, Jr., all such liability, if any, being expressly waived, and that any recovery on such Demand or Time Note or this Security Agreement, including, without limitation, any recovery for the breach or performance of any undertaking, representation, agreement or covenant, either express or implied, shall be solely against and out of the property held in the trust created by the Trust Agreement for payment out of the principal of or interest on such Demand or Time Note, as provided in the Trust Agreement, or out of the collateral assigned under this Security Agreement by enforcement of the security interests created by this Security Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date above set forth.

DEBTOR:

PETER V. FAZIO, JR., as Trustee under Trust Agreement dated as of July 31, 1984

By: _____



Subscribed and Sworn to before me
this 26 day of July, 1985.

By: _____

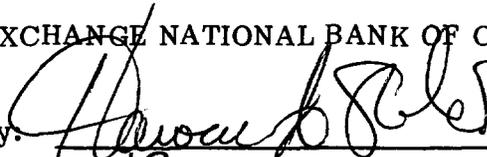

Notary Public

SECURED PARTY:

EXCHANGE NATIONAL BANK OF CHICAGO

By: _____

Its: _____


SVP

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Covered Hopper Railcars
Assigned to Peter V. Fazio, Jr.,
as Trustee, UTA dated as of July 31, 1984

<u>Car #</u>	<u>Car Size</u>	<u>Serial #</u>
NAHX 800716	4427	48121
800730	4427	48515
800731	4427	48531
800732	4427	48538
800737	4427	48552
800743	4427	48391
800744	4427	48740
800745	4427	48741
800746	4427	48745
800748	4427	48398
800751	4427	48831
800760	4427	48858
800761	4427	48859
800763	4427	48861
800773	4427	48884
800776	4427	48890
800778	4427	48893
800779	4427	48896
800780	4427	48898
800783	4427	48904
800787	4427	48909
800792	4427	48918
800796	4427	48925
800797	4427	48926
800798	4427	48927
800808	4427	48942
800810	4427	48944
800813	4427	48975
800814	4427	48976
800815	4427	48987
800821	4427	49562
800824	4427	49565
800831	4427	49624
800839	4427	49634
800843	4427	49638
800858	4750	50819
800865	4750	50896
800934	4427	48367
800940	4427	48598
800947	4427	48607
800951	4427	48611
800952	4427	48612
800956	4427	48616
800964	4427	48625
800985	4427	48647

SCHEDULE A

<u>Car #</u>	<u>Car Size</u>	<u>Serial #</u>
NAHX 801019	4427	48688
801034	4740	49342
801121	4750	52892
801123	4750	46501
801125	4750	46503
801126	4750	46504
801129	4750	46507
801131	4750	46509
801132	4750	46510
801134	4750	46512
801137	4750	46515
801139	4750	46517
801140	4750	46518
801141	4750	46519
801142	4750	46520
801144	4750	46522
801150	4750	46528
801151	4750	46529
801152	4750	46530
801155	4750	46533
801156	4750	46534
801157	4750	46535
801159	4750	46537
801164	4750	46542
801165	4750	46543
801166	4750	46544
801168	4750	46546
801171	4750	46549
801172	4750	46550
801177	4750	46555
801178	4750	46556
801179	4750	46557
801180	4750	46558
801181	4750	46559
801182	4750	46560
801183	4750	46561
801185	4750	46563
801187	4750	46565
801190	4750	46569
801192	4750	46571
801193	4750	46572
801194	4750	46573
801195	4750	46574
801202	4750	46581
801205	4750	46584
801207	4750	46586
801209	4750	46588
801213	4750	46593
801216	4750	46596
801222	4750	46604

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SCHEDULE A

<u>Car #</u>	<u>Car Size</u>	<u>Serial #</u>
NAHX 801310	4750	49333
801313	4750	49419
801315	4750	49433
801333	4750	54515
801334	4750	54516
801338	4750	54522
801347	4750	54531
801357	4750	54543
801358	4740	54545
801360	4740	54547
801362	4750	54549
801366	4740	54553
801370	4750	54557
801373	4740	54560
801374	4750	54561
801379	4740	54566
801381	4740	54568
801383	4750	54570
801385	4750	54572
801397	4740	54584
801398	4750	54585
801409	4750	54596
801412	4750	54599

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