

The CIT Group/  
Equipment Financing, Inc.

Penn Center West Two, Suite 325  
Pittsburgh, PA 15276  
412 787-3480



RECORDATION NO. 1 5104 Filed & Recorded

NOV 26 1986 2-55 PM November 25, 1986

INTERSTATE COMMERCE COMMISSION

6-330A031

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

No. NOV 26 1986  
Date .....  
Fee \$ 10.00 .....

ICC Washington, D. C.  
RE: Documents for  
Recordation

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement, a primary document dated November 11, 1986.

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

Secured Party: The CIT Group/Equipment Financing, Inc.  
Penn Center West Two, Suite 325  
Pittsburgh, PA 15276

Debtor: Alexander Mill Services, Inc.  
R.D. #1 Harmony Road  
Prospect, PA 16052

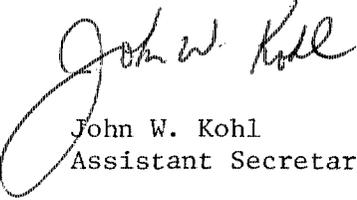
NOV 26 2 57 PM '86  
NOTICE OPERATIONS UNIT  
RECEIVED

A description of the equipment covered by document follows:

20 Railroad Cars with steel floors, S/N's B & O 35976, C & O 363683, C & O 33589, C & O 363891, B & O 35945, B & O 35948, C & O 363696, C & O 33588, B & O 35862, C & O 363740, B & O 35872, C & O 33392, C & O 363774, MTR 2367, MTR 2737, MTR 2632, MTR 3012, MTR 2724, MTR 2387, MTR 2877, each costing \$2,000.00, totalling \$40,000.00.

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to The CIT Group/Equipment Financing, Inc.

Very truly yours,



John W. Kohl  
Assistant Secretary

ENCLOSURES

JWK/rmt

CORPORATE FORM OF ACKNOWLEDGEMENT

STATE OF Pennsylvania     )  
  ) ss:  
COUNTY OF Butler         )

On this 24th day of November, 1986 before me personally appeared, John Alexander, Jr. to me personally known, who being by me duly sworn, says that he is the President of Alexander Mill Services, 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 that the execution of the foregoing instrument was the free act and deed of said corporation.

*Rodina Marie Torbese*

Notary Public

RODINA MARIE TORBESH, NOTARY PUBLIC  
PITTSBURGH, ALLEGHENY COUNTY  
MY COMMISSION EXPIRES SEPT. 17, 1988  
Member, Pennsylvania Association of Notaries

My Commission expires;

September 17, 1988



# Security Agreement

(Loan by C.I.T. or Dealer)

For Business Loans other than Inventory Loans in all States except Louisiana.

### 1. Grant of Security Interest; Description of Collateral.

Debtor grants to Secured Party a security interest in the property described below, along with all present and future attachments and accessories thereto and replacements and proceeds thereof, including amounts payable under any insurance policy, all hereinafter referred to collectively as "collateral": Describe collateral fully including make, kind of unit, serial and model numbers and any other pertinent information.

20 Railroad Gondola Cars with steel floors, S/N 's B & O 35976, C & O 363683, C & O 33589, C & O 363891, B & O 35945, B & O 35948, C & O 363696, C & O 33588, B & O 35862, C & O 363740, B & O 35872, C & O 33392, C & O 363774, MTR 2367, MTR 2737, MTR 2632, MTR 3012, MTR 2724, MTR 2387, MTR 2877.

"All attachments, replacement parts, substitutions, additions, repairs, and accessories now and hereafter incorporated in or affixed to said equipment."

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### 2. What Obligations the Collateral Secures.

Each item of the collateral shall secure not only the specific amount which Debtor promises to pay in Paragraph 3 below, but also all other present and future indebtedness or obligations of Debtor to Secured Party of every kind and nature whatsoever.

### 3. Promise to Pay; Terms and Place of Payment.

Debtor promises to pay Secured Party the total sum of \$ 663,327.00, which represents principal and interest pre-computed over the term hereof, payable in 60 total number combined principal and interest payments of \$ 11,055.45 each, commencing on December 19, 19 86, and a like sum on the like date of each month thereafter until fully paid, provided however, that the final payment shall be in the amount of the then unpaid balance of principal and interest. Payment shall be made at the address of Secured Party below or such other place as Secured Party may designate from time to time.

### 4. Use and Location of Collateral.

Debtor warrants and agrees that the collateral is to be used primarily for:  business or commercial purposes (other than agricultural),  agricultural purposes (see definition on Page 3), or  both agricultural and business or commercial purposes.

Location: Various Locations  
Address City County State

### 5. Special Provisions: For use in ALABAMA, GEORGIA, IDAHO, NEW HAMPSHIRE and OREGON, see Special Provisions-Instructions on Page 3.

The additional terms and conditions on Pages 2 and 3 are a part of this Security Agreement.

Dated: November 11, 19 86

Secured Party The CIT Group/Equipment Financing, Inc.  
Name of individual, corporation or partnership

By Robin M. Jones Title Credit Analyst  
If corporation, give official title. If owner or partner, state which.

Penn Center West Two, Suite 325  
Address

Pittsburgh PA 15276  
City State Zip Code

If Debtor is a partnership, enter:

Partners' names Home addresses

Debtor Alexander Mill Services, Inc.  
Name of individual, corporation or partnership

By [Signature] Title President  
If corporation, have signed by President, Vice-President or Treasurer, and give official title. If owner or partner, state which.

R.D. #1 Harmony Road  
Address

Prospect Butler PA 1605  
City County State Zip Code

Partners' names Home addresses

## Additional terms and conditions of Security Agreement

### 6. Late Charges.

Any instalment not paid when due shall, at the option of Secured Party, bear late charges thereon calculated at the highest rate permitted by the relevant law, but in no event more than 1-1/2% per month.

### 7. Location of Collateral.

Debtor and Secured Party agree that regardless of the manner of affixation, the collateral shall remain personal property and not become part of the real estate. Debtor agrees to keep the collateral at the location set forth in Paragraph 4, and will notify Secured Party promptly in writing of any change in the location of the collateral within such State, but will not remove the collateral from such State without the prior written consent of Secured Party (except that in the State of Pennsylvania, the collateral will not be moved from the above location without such prior written consent).

### 8. Debtor's Warranties and Representations.

Debtor warrants and represents:

- (a) that Debtor is justly indebted to Secured Party for the full amount of the foregoing indebtedness;
- (b) that except for the security interest granted hereby, the collateral is free from and will be kept free from all liens, claims, security interests and encumbrances;
- (c) that no financing statement covering the collateral or any proceeds thereof is on file in favor of anyone other than Secured Party, but if such other financing statement is on file, it will be terminated or subordinated;
- (d) that all information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this agreement with respect to this transaction are and shall be true, correct, valid and genuine; and
- (e) Debtor has full authority to enter into this agreement and in so doing it is not violating its charter or by-laws, any law or regulation or agreement with third parties, and it has taken all such action as may be necessary or appropriate to make this agreement binding upon it.

### 9. Debtor's Agreements.

Debtor agrees:

- (a) to defend at Debtor's own cost any action, proceeding, or claim affecting the collateral;
- (b) to pay reasonable attorneys' fees and other expenses incurred by Secured Party in enforcing its rights after Debtor's default;
- (c) to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the collateral or this agreement, and this obligation shall survive the termination of this agreement;
- (d) that if a certificate of title be required or permitted by law, Debtor shall obtain such certificate with respect to the collateral, showing the security interest of Secured Party thereon and in any event do everything necessary or expedient to preserve or perfect the security interest of Secured Party;
- (e) that Debtor will not misuse, fail to keep in good repair, secrete, or without the prior written consent of Secured Party, and notwithstanding Secured Party's claim to proceeds, sell, rent, lend, encumber or transfer any of the collateral;
- (f) that Secured Party may enter upon Debtor's premises or wherever the collateral may be located at any reasonable time to inspect the collateral and Debtor's books and records pertaining to the collateral, and Debtor shall assist Secured Party in making such inspection; and
- (g) that the security interest granted by Debtor to Secured Party shall continue effective irrespective of the payment of the amount in Paragraph 3, so long as there are any obligations of any kind, including obligations under guaranties or assignments, owed by Debtor to Secured Party, provided, however, upon any assignment of this Security Agreement the Assignee shall thereafter be deemed for the purpose of this Paragraph the Secured Party under this Security Agreement.

### 10. Insurance and Risk of Loss.

All risk of loss of, damage to or destruction of the collateral shall at all times be on Debtor. Debtor will procure forthwith and maintain fire insurance with extended or combined additional coverage on the collateral for the full insurable value thereof for the life of this Security Agreement plus such other insurance as Secured Party may specify, and promptly deliver each policy to Secured Party with a standard long form endorsement attached showing loss payable to Secured Party or assigns as respective interests may appear. Secured Party's acceptance of policies in lesser amounts or risks shall not be a waiver of Debtor's foregoing obligation.

### 11. Events of Default; Acceleration.

A very important element of this agreement is that Debtor make all its payments promptly as agreed upon. Also essential is that the collateral continue to be in good condition and adequate security for the indebtedness. The following are events of default under this agreement which will allow Secured Party to take such action under this Paragraph and under Paragraph 12 as it deems necessary:

- (a) any of Debtor's obligations to Secured Party under any agreement with Secured Party is not paid promptly when due;
- (b) Debtor breaches any warranty or provision hereof, or of any note or of any other instrument or agreement delivered by Debtor to Secured Party in connection with this or any other transaction;
- (c) Debtor dies, becomes insolvent or ceases to do business as a going concern;
- (d) it is determined that Debtor has given Secured Party materially misleading information regarding its financial condition;
- (e) any of the collateral is lost or destroyed;
- (f) a petition in bankruptcy or for arrangement or reorganization be filed by or against Debtor or Debtor admits its inability to pay its debts as they mature;
- (g) property of Debtor be attached or a receiver be appointed for Debtor;
- (h) whenever Secured Party in good faith believes the prospect of payment or performance is impaired or, in good faith believes the collateral is insecure;
- (i) any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party or any guaranty obtained in connection with this transaction is terminated or breached.

If Debtor shall be in default hereunder, the indebtedness herein described and all other debts then owing by Debtor to Secured Party under this or any other present or future agreement shall, if Secured Party shall so elect, become immediately due and payable; This acceleration of all indebtedness, if elected by Secured Party, shall be subject to all applicable laws, including laws as to rebates and refunds of unearned charges.

### 12. Secured Party's Remedies After Default; Consent to Enter Premises.

Upon Debtor's default and at any time thereafter, Secured Party shall have all the rights and remedies of a Secured Party under the Uniform Commercial Code and any other applicable laws, including the right to any deficiency remaining after disposition of the collateral for which Debtor hereby agrees to remain fully liable. Debtor agrees that Secured Party, by itself or its agent, may without notice to any person and without judicial process of any kind, enter into any premises or upon any land owned, leased or otherwise under the real or apparent control of Debtor or any agent of Debtor where the collateral may be or where Secured Party believes the collateral may be, and disassemble, render unusable and/or repossess all or any item of the collateral, disconnecting and separating all collateral from any other property and using all force necessary. Debtor expressly waives all further rights to possession of the collateral after default and all claims for injuries suffered through or loss caused by such entering and/or repossession. Secured Party may require Debtor to assemble the collateral and return it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties.

Secured Party will give Debtor reasonable notice of the time and place of any public sale of the collateral or of the time after which any private sale or any other intended disposition of the collateral is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown herein at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling and the like shall include reasonable attorneys' fees (15% if not prohibited by law) and other legal expenses. Debtor understands that Secured Party's rights are cumulative and not alternative.

## Additional terms and conditions of Security Agreement

### 13. Waiver of Defaults; Agreement Inclusive.

Secured Party may in its sole discretion waive a default, or cure, at Debtor's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this Security Agreement or any related note, instrument or agreement shall bind Secured Party unless in writing signed by Secured Party. No oral agreement shall be binding.

### 14. Financing Statements.

If permitted by law, Debtor authorizes Secured Party to file a financing statement with respect to the collateral signed only by Secured Party, and to file a carbon, photograph or other reproduction of this Security Agreement or of a financing statement.

### 15. Miscellaneous.

Debtor waives all exemptions. Secured Party may correct patent errors herein and fill in such blanks as serial numbers, date of first payment and the like. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. **Debtor acknowledges receipt of a true copy and waives acceptance hereof.** If Debtor is a corporation, this Security Agreement is executed pursuant to authority of its Board of Directors. "Debtor" and "Secured Party" as used in this Security Agreement include the heirs, executors or administrators, successors or assigns to those parties. If more than one Debtor executes this Security Agreement, their obligations under this Security Agreement shall be joint and several.

**NOTICE: Do not use this form for transactions for personal, family or household purposes. For agricultural transactions subject to Federal or State regulations, consult legal counsel to determine documentation requirements.**

**Agricultural purposes** generally means farming, including dairy farming, but it also includes the transportation, harvesting, and processing of farm, dairy, or forest products if what is transported, harvested or processed is farm, dairy or forest products grown or bred by the user of the equipment itself. It does not apply, for instance, to a logger who harvests someone else's forest, or a contractor who prepares land or harvests products on someone else's farm.

**SPECIAL PROVISIONS INSTRUCTIONS** — The notations to be typed in the Special Provisions section on page 1 are shown in the applicable State pages of the Loans and Motor Vehicles Manual

All signatures must be in ink on each copy.

### Guaranty

To: SECURED PARTY

Each of us severally requests you to extend credit to or otherwise to do business with

Company \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

hereinafter called the "Company," and to induce you so to do and in consideration thereof and of benefits to accrue to each of us therefrom, each of us jointly and severally and unconditionally guarantees to you that the Company will fully and promptly and faithfully perform, pay and discharge all its present and future obligations to you, whether direct or indirect, joint or several, absolute or contingent, secured or unsecured, matured or unmatured and whether originally contracted with you or otherwise acquired by you, irrespective of any invalidity therein, the unenforceability thereof or the insufficiency, invalidity or unenforceability of any security therefor; and agrees, without your first having to proceed against the Company or any of the security pledged herein, to pay on demand all sums due and to become due to you from the Company and all losses, costs, attorneys' fees or expenses which may be suffered by you by reason of the Company's default or default of any of the undersigned hereunder; and agrees to be bound by and on demand to pay any deficiency established by a sale of this Security Agreement and/or security held, with or without notice to us. This Guaranty is an unconditional guarantee of payment.

No termination hereof shall be effected by the death of any or all of us. No termination shall be effective except by notice sent to you by registered mail naming a termination date effective not less than 90 days after the receipt of such notice by you; or effective as to any of us who has not given such notice; or affect any transaction effected prior to the effective date of termination. Each of us waives notice of acceptance hereof and of presentment, demand, protest and notice of non-payment or protest as to any note or obligation signed, accepted, endorsed or assigned to you by the Company, and all exemptions and homestead laws and any other demands and notices required by law, and we waive all set-offs and counterclaims. You may at any time and from time to time, without our consent, without notice to us and without affecting or impairing the obligation of any of us hereunder, do any of the following: (a) renew or extend any obligations of the Company, of its customers, of co-guarantors (whether hereunder or under a separate instrument) or of any other party at any time directly or contingently liable for the payment of any of said obligations; (b) accept partial payments of said obligations; (c) settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate any of said obligations and the security therefor in any manner; (d) consent to the transfer of security, or (e) bid and purchase at any sale of paper or security. No payment by a guarantor hereunder shall entitle the guarantor, by subrogation or otherwise, to any payment by the Company under or out of the property of the Company, except after the full performance, payment and discharge of all of the Company's obligations to you.

This Guaranty shall bind our respective heirs, administrators, personal representatives, successors, and assigns, and shall enure to your successors and assigns, including, but not limited to, any party to whom you may assign any item or items of paper, we hereby waiving notice of any such assignment. All of your rights are cumulative and not alternative.

Executed the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

#### Individual Guarantors

_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address
_____	Individually	_____	Address

Witness

#### Corporate Guarantors

\_\_\_\_\_  
Name of Corporation

By \_\_\_\_\_ Title \_\_\_\_\_  
Have signed by Pres., Vice Pres, or Treasurer

CORPORATE SEAL

\_\_\_\_\_  
Attest Secretary

\_\_\_\_\_  
Name of Corporation

By \_\_\_\_\_ Title \_\_\_\_\_  
Have signed by Pres., Vice Pres, or Treasurer

CORPORATE SEAL

\_\_\_\_\_  
Attest Secretary

NOTE: Insert exact name of company on first blank line, with city and state. Individual guarantors must sign without titles. Sign "John Smith," not "John Smith, President."

Interstate Commerce Commission  
Washington, D.C. 20423

11/28/86

OFFICE OF THE SECRETARY

John W. Kohl  
CIT Corporation  
PennCenter West Two  
Suite 325  
Pittsburgh, PA. 15276

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 11/26/86 at 2:55pm, and assigned re-  
recording number(s). 15104

Sincerely yours,

*Norita R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

Interstate Commerce Commission  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on \_\_\_\_\_ at \_\_\_\_\_, and assigned re-  
recording number(s).

Sincerely yours,

*Noreta R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)