

1 5278

DOTSON, BABCOCK & SCOFIELD RECORDATION NO. _____ Filed 1426

ATTORNEYS AT LAW
4200 INTERFIRST PLAZA
HOUSTON, TEXAS 77002-5219

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AUG 3 1987 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

710 HUGH WALLIS ROAD
LAFAYETTE, LOUISIANA 70508-2508
TELEPHONE (318) 237-8184

PAUL R. HAMMON
PARTNER

July 29, 1987

Noreta R. McGee
Secretary, Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, D.C. 20423

8/3/87
10.00
ICC Washington, D.C.

Dear Ms. McGee:

Pursuant to the provisions of Section 1177 of Chapter X of the Regulations of the Interstate Commerce Commission, the following letter transmitting the enclosed Security Agreement and Mortgage (hereinafter called the "primary document") for recordation is hereby submitted.

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

Mortgagor (Debtor):

Denver Railroad Car Company
1624 Market Street, Suite 205
Denver, Colorado 80202
Attention: John R. Parten, President

Mortgagee (Secured Party):

First Republic Bank Houston, N.A.
700 Louisiana
P.O. Box 2518
Houston, Texas 77252-2518
Attention: Gene Shiels, Assistant Vice President

A general description of the railway cars is described in "Exhibit A" attached to this transmittal letter and made a part hereof for all purposes.

The primary document enclosed is for the purpose of perfecting a security interest in the railway cars described in the aforementioned attachment.

Noreta R. McGee
July 29, 1987
Page 2

Enclosed are two originals of the primary document in compliance with the ICC Rules and a check for \$10.00 to cover the filing fee.

One original document should be returned to Dotson, Babcock & Scofield, 4200 InterFirst Plaza, Houston, Texas 77002, Attention: Susan Paskett.

Please call the undersigned collect if you have any questions regarding this matter.

Very truly yours,

DOTSON, BABCOCK & SCOFIELD,
Attorneys for Mortgagee

By: Paul R. Hammon
Paul R. Hammon

PRH:sp
Enclosures

"EXHIBIT A"

DESCRIPTION OF RAILWAY CARS

<u>DRC NO.</u>	<u>HISTORY</u>	<u>TYPE</u>	<u>BUILDER</u>
1001	BN976183	Baggage	PS
1002	BN976166	Baggage	PS
1003	BN976167	Baggage	PS
1004	BN976161	Baggage	PS
3363	RI 363	First Parlor	Budd
3365	RI 365	First Parlor	Budd
4836	ARR 4836	First Diner	Budd
4842	ARR 4842	First Diner	Budd
4874	AMT 8074	First Diner	Budd
5200	ARR 5200	Coach	Budd
5201	ARR 5201	Coach	Budd
5202	ARR 5202	Coach	Budd
5203	ARR 5203	Coach	Budd
5204	ARR 5204	Coach	Budd
5205	ARR 5205	Coach	Budd
5206	ARR 5206	Coach	Budd
5220	AMT 5220	Coach	Budd
5409	AMT 5409	Coach	Budd
5410	AMT 5410	Coach	Budd
5421	AMT 5421	Coach	Budd
5428	AMT 5428	Coach	Budd
5624	AMT 5624	Coach	Budd
5626	AMT 5626	Coach	Budd
5627	AMT 5627	Coach	Budd
5640	AMT 5640	Coach	Budd
5641	AMT 5641	Coach	Budd
5646	AMT 5646	Coach	Budd
5660	AMT 5660	Coach	Budd
5663	AMT 5663	Coach	Budd
5665	AMT 5665	Coach	Budd
7021	D&RGW 1106	Coach Dome	Budd
7022	CB&Q 4716	Coach Dome	Budd
7031	D&RGW 1107	Coach Dome	Budd
7032	CB&Q 4717	Coach Dome	Budd
7033	D&RGW 1108	Coach Dome	Budd
7034	CB&Q 4722	Coach Dome	Budd
7891	MP 891	Coach Dome	Budd
8085	AMT 8085	Grill	PS
8088	AMT 8088	Grill	PS

9061	NYC	61	First Observation	Budd
462	AMT	2152	Sleeper	Budd
253	CBQ	253	Dome-Lounge	Budd
1290	GN	1290	Observation-Lounge	ACF

BN	=	Burlington Northern
RI	=	Rock Island
ARR	=	Alaska Railroad
AMT	=	Amtrak
D&RGW	=	Denver Rio Grande & Western
CB&Q	=	Chicago Burlington & Quincy
MP	=	Missouri Pacific
NYC	=	New York Central
GN	=	Great Northern
PS	=	Pulman Standard
ACF	=	American Car & Foundry

6997B
07/21/87

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

15278

8/4/87

Paul R. Hammon
Partner
Dotson, Babcock & Scofield
4200 Interfrist Plaza
Houston, Texas 77002-5219

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 8/3/87 at 10:35am, and assigned re-
recording number (s). 15278

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure (s) Enclosed you will find your unsigned check.

SE-30
(7/79)

DATED July 22, 1987
BETWEEN

AUG 3 1987 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

Secured party

and

Debtor Individual Corporation Partnership OtherFIRST REPUBLICBANK HOUSTON, N.A.
700 Louisiana
Houston, Texas 77002Name Denver Railway Car Company
Address Residence Place of Business Chief Executive Office
(if more than one place of business)Street
1624 Market Street, Suite 205
Mailing

City Denver County Denver State Co. Zip 80202

A. AGREEMENT

1. **Security Interest.** Subject to the applicable terms of this agreement, debtor assigns and grants to secured party a security interest ~~in~~ ⁱⁿ the collateral to secure the payment and the performance of the obligation. ***and general lien and mortgage**
prompt and unconditional

B. OBLIGATION

1. **Description of Obligation.** The following obligations (obligation) are secured by this agreement:

- All debt, obligations, liabilities and agreements of debtor to secured party, now or hereafter existing, arising directly between debtor and secured party or acquired outright, conditionally or as collateral security from another by secured party, absolute or contingent, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, direct or indirect, and including but not limited to any debt, obligation or liability of debtor to secured party as a member of any partnership, syndicate, association or other group, whether incurred by debtor as principal, guarantor, surety, indorser, accomodation party or otherwise, and all renewals, extensions or rearrangements of any of the above.
- Secured party's participation in any debt of debtor to another person.
- All costs incurred by secured party to obtain, preserve, perfect and enforce this security agreement and security interest, collect the obligation, and maintain, preserve, collect and enforce the collateral, including but not limited to taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs and expenses of sale.
- Interest on the above amounts as agreed between secured party and debtor, or if there is no agreement, at the highest lawful rate.
- All debt, obligations and liabilities of _____ (if such blank is completed, such party, together with the debtor named above, are hereinafter referred to collectively as "debtor") to secured party of the kinds described in this Item B., now existing or hereafter arising.

C. COLLATERAL

1. **Description of Collateral.** The security interest is granted in the following (collateral): (If collateral includes crops growing or to be grown, timber to be cut, fixtures, minerals, or an account resulting from sale of minerals, describe real estate and name record owner.)

- Railway cars as described on Exhibit A attached hereto and made a part hereof for all purposes.

- All substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment used in connection with, and proceeds and products of, the above collateral (including all income and benefits resulting from any of the above, such as dividends payable or distributable in cash, property or stock; interest, premium and principal payments; redemption proceeds and subscription rights; and shares or other proceeds of conversions or splits of any securities in collateral), and returned or repossessed collateral, any of which, if received by debtor, shall be delivered immediately to secured party.
- The balance of every deposit account of debtor under control of secured party and any other claim of debtor against secured party, now or hereafter existing, liquidated or unliquidated, and all money, instruments, securities, documents, chattel paper, credits, claims, demands, income, and any other property, rights and interests of debtor which at any time shall come into the possession or custody or under the control of secured party or any of its agents, affiliates or correspondents, for any purpose, and the proceeds of any thereof. Secured party shall be deemed to have possession of any of the collateral in transit to or set apart for it or any of its agents, affiliates or correspondents. The holder of any participation in the obligation shall have a right of setoff with respect to any obligation of such holder to debtor to satisfy the obligation.
- All policies of insurance covering the collateral and proceeds thereof.
- All security for the payment of any of the collateral, and all goods which gave or will give rise to any of the collateral or are evidenced, identified or represented therein or thereby.
- All property similar to the above hereafter acquired by debtor.

2. **After Acquired Consumer Goods.** The security interest hereunder shall attach to after acquired consumer goods only to the extent permitted by Sec. 9.204(b) of the Texas Uniform Commercial Code (UCC).

D. DEBTOR'S WARRANTIES

- Financing Statements.** No financing statement covering the collateral is or will be on file in any public office, except the financing statements relating to this security interest.
- Ownership.** Debtor owns, or will use the proceeds of any loans by secured party to become the owner of, the collateral free from any claim, restriction, lien, security interest or encumbrance except liens for taxes not yet due and the security interest hereunder.
- Fixtures and Accessions.** None of the collateral is affixed to real estate or is an accession to any goods, or will become a fixture or accession, except as expressly set out herein.

4. **Claims of Debtors on Collateral.** All account debtors and other obligors whose debts or obligations are part of the collateral have no right to setoffs, counterclaims or adjustments, and no defenses in connection therewith.

5. **Accuracy of Financial Statements.** All balance sheets, earnings statements and other financial data which have been or hereafter may be furnished to secured party to induce it to permit the obligation or to make this agreement or in conjunction herewith truly represent or shall truly represent the financial condition and operations of debtor as of the dates and for the periods shown thereon; and all other information, reports, papers and data furnished to secured party are or shall be, at the time furnished, accurate and correct in all respects and complete insofar as necessary to give secured party a true and accurate knowledge of the subject matter.

6. **Power and Authority.** Debtor has full power and authority to make this agreement.

E. DEBTOR'S COVENANTS

1. **Obligation and This Agreement.** Debtor shall perform promptly all of his agreements herein and in any other agreements between him and secured party.

2. **Ownership of Collateral.** At the time debtor grants to secured party a security interest in any collateral, debtor shall be the absolute owner thereof and shall have the right to grant such security interest. Debtor shall defend the collateral against all claims and demands of all persons at any time claiming any interest therein adverse to secured party. Debtor shall keep the collateral free from all liens and security interests except those for taxes not yet due and the security interest hereby created.

3. **Insurance.** Debtor shall insure the collateral with companies acceptable to secured party against such casualties and in such amounts as secured party shall require. All insurance policies shall be written for the benefit of debtor and secured party as their interests may appear, or in other form satisfactory to secured party, and such policies or certificates evidencing the same shall be furnished to secured party. All policies of insurance shall provide for written notice to secured party at least 10 days prior to cancellation. Risk of loss or damage is debtor's to the extent of any deficiency in any effective insurance coverage. Secured party is appointed debtor's attorney-in-fact to collect any return or unearned premiums or the proceeds of such insurance and to indorse any draft or check payable to debtor therefor.

4. **Maintenance.** Debtor shall keep goods in collateral in good condition.

5. **Secured Party's Costs.** Debtor shall pay all costs necessary to obtain, preserve, perfect, defend and enforce this security interest, collect the obligation, and preserve, defend, enforce and collect the collateral, including but not limited to taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs and expenses of sales. Whether collateral is or is not in secured party's possession, and without any obligation to do so and without waiving debtor's default for failure to make any such payment, secured party at its option may pay any such costs and expenses, discharge encumbrances on collateral, and pay for insurance of collateral, and such payment shall be a part of the obligation. Debtor agrees to reimburse secured party on demand for any costs so incurred.

6. **Information and Inspection.** Debtor shall (i) furnish secured party any financial statements of debtor or reports to debtor by accountants or others pertaining to debtor's business as soon as available, and any information with respect to collateral requested by secured party; (ii) allow secured party to inspect the collateral, at any time and wherever located, and to inspect and copy, or furnish secured party with copies of, all records relating to the collateral and the obligation; (iii) furnish secured party such information as secured party may request to identify inventory, accounts and general intangibles in collateral, at the time and in the form requested by secured party; and (iv) deliver upon request to secured party shipping and delivery receipts evidencing the shipment of goods and invoices evidencing the receipt of, and the payment for, inventory in collateral.

7. **Additional Documents.** Debtor shall sign any papers furnished by secured party which are necessary in the judgment of secured party to obtain, maintain and perfect the security interest hereunder and to enable secured party to comply with the Federal Assignment of Claims Act or any other federal or state law in order to obtain or perfect secured party's interest in collateral or to obtain proceeds of collateral.

8. **Parties Liable on Collateral.** Debtor will preserve the liability of all obligors on any collateral, will preserve the priority of all security therefor, and will deliver to secured party the original certificates of title on all motor vehicles securing the collateral. Secured party shall have no duty to preserve such liability or security, but may do so at the expense of debtor, without waiving debtor's default.

9. **Modification of Collateral.** Without the written consent of secured party, debtor shall not agree to any modification of any of the terms of any accounts, contracts, chattel paper, general intangibles or instruments in collateral.

10. **Right of Secured Party to Notify Debtors.** At any time, whether debtor is or is not in default hereunder, secured party may notify persons obligated on any collateral to make payments directly to secured party and secured party may take control of all proceeds of any collateral. Until secured party elects to exercise such rights, debtor, as agent of secured party, shall collect and enforce all payments owed on collateral.

11. **Delivery of Receipts to Secured Party; Rejected Goods.** Upon secured party's demand, debtor will deposit, upon receipt and in the form received, with any necessary indorsement, all payments received as proceeds of collateral, in a special bank account in a bank of secured party's choice over which secured party alone shall have power of withdrawal. The funds in said account shall secure the obligation. Secured party is authorized to make any indorsement in debtor's name and behalf. Pending such deposit, debtor shall not mingle any such payments with any of debtor's other funds or property, but will hold them separate and upon an express trust for secured party. Secured party may from time to time apply the whole or any part of the funds in the special account against the obligation.

Unless secured party notifies debtor in writing that it dispenses with any one or more of the following requirements, debtor shall

a. inform secured party immediately of the rejection of goods, delay in delivery or performance, or claim made, in regard to any collateral;

b. keep returned goods segregated from debtor's other property, and hold the goods as trustee for secured party until it has paid secured party the amount loaned against the related account or chattel paper and deliver the goods on demand to secured party;

and
c. pay secured party the unpaid amount of any account in collateral (i) if the account is not paid when due; (ii) if purchaser rejects the goods or services covered by the account; or (iii) if secured party shall at any time reject the account as unsatisfactory. Secured party may retain the account in collateral. Secured party may charge any deposit account of debtor with any such amounts.

12. **Records of Collateral.** Debtor at all times will maintain accurate books and records covering the collateral. Debtor immediately will mark all books and records with an entry showing the absolute assignment of all accounts in collateral to secured party and secured party is hereby given the right to audit the books and records of debtor relating to collateral at any time and from time to time. The amounts shown as owed to debtor on debtor's books and on any assignment schedule will be the undisputed amounts owing and unpaid. Debtor shall disclose to secured party all agreements modifying any account, instrument or chattel paper.

13. **Disposition of Collateral.** If disposition of any collateral gives rise to an account, chattel paper or instrument, debtor immediately shall notify secured party, and upon request of secured party shall assign or indorse the same to secured party. No collateral may be sold, leased, manufactured, processed or otherwise disposed of by debtor in any manner without the prior written consent of secured party, except inventory sold, leased, manufactured, processed or consumed in the ordinary course of business.

14. **Accounts.** Each account in collateral will represent the valid and legally enforceable obligation of third parties, and shall not be evidenced by any instrument or chattel paper.

15. **Location of Accounts and Inventory.** Debtor shall give secured party written notice of each office of debtor in which records of debtor pertaining to accounts in collateral are kept, and each location at which inventory in collateral is or will be kept, and of any change of any such location. If no such notice is given, all records of debtor pertaining to accounts and all inventory are and shall be kept at debtor's address shown above.

16. **Notice of Changes.** Debtor will notify secured party immediately of any material change in the collateral, of a change in debtor's residence or location, of a change in any matter warranted or represented by debtor in this agreement or furnished to secured party, and of any event of default.

17. **Use and Removal of Collateral.** Debtor will not use the collateral illegally nor permit the collateral to be affixed to real or personal property without the prior written consent of secured party. Debtor will not permit any of the collateral to be removed from the locations specified herein without the written consent of secured party.

18. **Possession of Collateral.** If the collateral is chattel paper, documents, instruments or investment securities or other instruments, secured party may deliver a copy of this agreement to the broker or seller thereof, or any person in possession thereof, and such delivery shall constitute notice to such person of secured party's security interest therein and shall constitute debtor's instruction to such person to deliver to secured party certificates or other evidence of the same as soon as available. Debtor will deliver all investment securities, other instruments, documents and chattel paper which are part of the collateral and in debtor's possession to the secured party immediately, or if hereafter acquired, immediately following acquisition, appropriately indorsed to secured party's order, or with appropriate, executed powers. Debtor waives presentment, demand, notice of dishonor, protest, and all other notices with respect thereto.

19. **Chattel Paper.** Debtor has perfected or will perfect a security interest by means satisfactory to secured party in goods covered by chattel paper in collateral.

20. **Consumer Credit.** If any collateral or proceeds includes obligations of third parties to debtor, the transactions giving rise to the collateral shall conform in all respects to the applicable state or federal consumer credit law. Debtor shall hold harmless and indemnify secured party against any cost, loss or expense including attorney's fees, arising from debtor's breach of this covenant.

21. **Change of Name.** Without the written consent of secured party, debtor shall not change his name.

22. **Power of Attorney.** Debtor appoints secured party debtor's attorney-in-fact with full power in debtor's name and behalf to do every act which debtor is obligated to do or may be required to do hereunder; however, nothing in this paragraph shall be construed to obligate secured party to take any action hereunder.

23. **Waivers by Debtor.** Debtor waives notice of the creation, advance, increase, existence, extension or renewal of, and of any indulgence with respect to, the obligation; waives presentment, demand, notice of dishonor, and protest; waives notice of the amount of the obligation outstanding at any time, notice of any change in financial condition of any person liable for the obligation or any part thereof, notice of any event of default, and all other notices respecting the obligation; and agrees that maturity of the obligation and any part thereof may be accelerated, extended or renewed one or more times by secured party in its discretion, without notice to debtor.

24. **Other Parties and Other Collateral.** No renewal or extension of or any other indulgence with respect to the obligation or any part thereof, no release of any security, no release of any person (including any maker, indorser, guarantor or surety) liable on the obligation, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the obligation or any security therefor or guaranty thereof or under this agreement shall in any manner impair or affect the rights of secured party under the law, hereunder, or under any other agreement pertaining to the collateral. Secured party need not file suit or assert a claim for personal judgment against any person for any part of the obligation or seek to realize upon any other security for the obligation, before foreclosing upon the collateral for the purpose of paying the obligation. Debtor waives any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that secured party shall have no duty or obligation to debtor to apply to the obligation any such other security or proceeds thereof.

F. RIGHTS AND POWERS OF SECURED PARTY

1. **General.** Secured party before or after default without liability to debtor may: obtain from any person information regarding debtor or debtor's business, which information any such person also may furnish without liability to debtor; require debtor to give possession or control of any collateral to secured party; indorse as debtor's agent any instruments, documents or chattel paper in collateral or representing proceeds of collateral; contact account debtors directly to verify information furnished by debtor; take control of proceeds, including stock received as dividends or by reason of stock splits; release collateral in its possession to any debtor, temporarily or otherwise; require additional collateral; reject as unsatisfactory any property hereafter offered by debtor as collateral; set standards from time to time to govern what may be used as after acquired collateral; designate, from time to time, a certain percent of the collateral as the loan value and require debtor to maintain the obligation at or below such figure; take control of funds generated by the collateral, such as cash dividends, interest and proceeds or refunds from insurance, and use same to reduce any part of the obligation and exercise all other rights which an owner of such collateral may exercise, except the right to vote or dispose of collateral before an event of default; at any time transfer any of the collateral or evidence thereof into its own name or that of its nominee; and demand, collect, convert, redeem, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon collateral, in its own name or in the name of debtor, as secured party may determine. Secured party shall not be liable for failure to collect any account or instrument, or for any act or omission on the part of the secured party, its officers, agents or employees, except wilful misconduct. The foregoing rights and powers of secured party will be in addition to, and not a limitation upon, any rights and powers of secured party given by law, elsewhere in this agreement, or otherwise.

2. **Convertible Securities.** Secured party may present for conversion any instrument or investment security in collateral which is convertible into any other instrument or investment security or a combination thereof with cash. But secured party shall not have any duty to present for conversion any instrument in collateral unless it shall have received from debtor detailed written instructions to that effect at a time reasonably far in advance of the final conversion date to make such conversion possible.

G. DEFAULT

1. **Events of Default.** The following are events of default hereunder:

- a. default in the timely payment of any part of the obligation or in performance or observance of the terms and conditions herein or in any other agreement between debtor and secured party;
- b. any warranty, representation or statement made or furnished to secured party herein, heretofore, or hereafter proves to have been false in any material respect when made or furnished;
- c. acceleration of the maturity of debt of debtor to any other person;
- d. substantial change in any fact warranted or represented in this agreement or in any other agreement between debtor and secured party or in any statement, schedule, or other writing furnished in connection therewith;
- e. sale, loss, theft, destruction, encumbrance or transfer of any collateral in violation hereof, or substantial damage to any collateral;
- f. belief by secured party that the prospect of payment of the obligation or performance of this agreement is impaired;
- g. death, incapacity, dissolution, merger or consolidation, termination of existence, insolvency or business failure of debtor or any person liable on the obligation; commencement of proceedings for the appointment of a receiver for any property of debtor; or commission of an act of bankruptcy by debtor; commencement of any proceeding under any bankruptcy or insolvency law by or against debtor (or any corporate action shall be taken to effect same), or any partnership of which debtor is a partner, or by or against any person liable upon the obligation or any part thereof, or liable upon collateral;
- h. levy on, seizure or attachment of any property of debtor;
- i. a judgment against debtor becomes final; or
- j. any liability or agreement of third parties to debtor or on the collateral shall not be paid or performed in accordance with the terms thereof.

2. **Remedies of Secured Party Upon Default.** When an event of default occurs, and at any time thereafter, secured party without notice or demand may declare the obligation in whole or part immediately due and may enforce payment of the same and exercise any rights under the UCC, rights and remedies of secured party under this agreement, or otherwise. Secured party may require debtor to assemble the collateral and make it available to secured party at a place which is reasonably convenient to both parties. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, secured party will give debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made. Expenses of retaking, holding, preparing for sale, selling, leasing or the like shall include secured party's reasonable attorney's fees and legal expenses. Secured party shall be entitled to immediate possession of all books and records evidencing any accounts or general intangibles or pertaining to chattel paper covered by this agreement and shall have the authority to enter upon any premises upon which any of the same, or any collateral, may be situated and remove the same therefrom without liability. Secured party may surrender any insurance policies in collateral and receive the unearned premium thereon. Debtor shall be entitled to any surplus and shall be liable to secured party for any deficiency. The proceeds of any disposition after default available to satisfy the obligation shall be applied to the obligation in such order and in such manner as secured party in its discretion shall decide. If, in the opinion of secured party, there is any question that a public sale or distribution of any collateral will violate any state or federal securities law, secured party (i) may offer and sell securities privately to purchasers who will agree to take them for investment purposes and not with a view to distribution and who will agree to imposition of restrictive legends on the certificates representing the security, or (ii) may sell such securities in an intrastate offering under Section 3(a)(11) of the Securities Act of 1933, and no sale so made in good faith by secured party shall be deemed to be not "commercially reasonable" because so made.

H. GENERAL

1. **Parties Bound.** Secured party's rights hereunder shall inure to the benefit of its successors and assigns, and in the event of any assignment or transfer of any of the obligation or the collateral, secured party thereafter shall be fully discharged from any responsibility with respect to the collateral so assigned or transferred, but secured party shall retain all rights and powers hereby given with respect to any of the obligation or collateral not so assigned or transferred. All representations, warranties and agreements of debtor if more than one are joint and several, and all shall be binding upon the personal representatives, heirs, successors and assigns of debtor.

2. **Waiver.** No delay of secured party in exercising any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by secured party of any right hereunder or of any default by debtor shall be binding upon secured party unless in writing, and no failure by secured party to exercise any power or right hereunder or waiver of any default by debtor shall operate as a waiver of any other or further exercise of such right or power or of any further default.

3. **Agreement Continuing.** This agreement shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this agreement, and if all transactions between secured party and debtor shall be closed at any time, shall be equally applicable to any new transactions thereafter. Provisions of this agreement, unless by their terms exclusive, shall be in addition to other agreements between the parties.

4. **Definitions.** Unless the context indicates otherwise, definitions in the UCC apply to words and phrases in this agreement; if UCC definitions conflict, Chapter 9 definitions apply.

5. **Notice.** Notice shall be deemed reasonable if mailed postage prepaid at least 5 days before the related action (or if the UCC elsewhere specifies a longer period, such longer period) to the address of debtor given above.

6. **Interest.** No agreement relating to the obligation shall be construed to be a contract for or to authorize charging or receiving, or require the payment or permit the collection of, interest at a rate or in an amount above that authorized by law. Interest payable under any agreement above that authorized by law shall be reduced automatically to the highest amount permitted by law. This provision shall override and supersede all other provisions of any agreement relating to the obligation.

7. **Modifications.** No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited and signed by the debtor and secured party, nor by course of conduct, usage of trade, or by the law merchant.

8. **Severability.** The unenforceability of any provision of this agreement shall not affect the enforceability or validity of any other provision.

9. **Gender and Number.** Where appropriate, the use of one gender shall be construed to include the others or any of them; and the singular number shall be construed to include the plural, and vice versa.

10. **Applicable Law and Venue.** This agreement shall be construed according to the laws of Texas. It is performable by debtor in the county of secured party's address set out above.

11. **Financing Statement.** A carbon, photographic or other reproduction of this security agreement or any financing statement covering the collateral shall be sufficient as a financing statement.

WITNESSES:

DEBTOR:

DENVER RAILWAY CAR COMPANY

By: John R. Parten
John R. Parten
President

Mary H Blaw

MARY H BLAW
(Printed Name of Witness)

Josephine R. Lozobrano

JOSEPHINE R. LOZOBRANO
(Printed Name of Witness)

WITNESSES:

SECURED PARTY:

FIRST REPUBLICBANK HOUSTON, N.A.

By: Jo Tamaris
Printed Name: Jo Tamaris
Title: Vice President

Mary H Blaw

MARY H BLAW
(Printed Name of Witness)

Josephine R. Lozobrano

JOSEPHINE R. LOZOBRANO
(Printed Name of Witness)

THE STATE OF TEXAS
COUNTY OF HARRIS

§
§
§

BEFORE ME, the undersigned authority, on this day personally appeared JOHN R. PARTEN, President of DENVER RAILWAY CAR COMPANY, a Colorado corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of July, 1987.

My Commission Expires:

June 30, 1990

Marilyn Anderson
Notary Public in and for the
State of T E X A S

Marilyn Anderson
(Printed Name of Notary Public)

THE STATE OF TEXAS
COUNTY OF HARRIS

§
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BEFORE ME, the undersigned authority, on this day personally appeared Joe Lamalis, Vice President of FIRST REPUBLIC BANK HOUSTON, N.A. a national banking association, known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said banking association.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of July, 1987.

My Commission Expires:

June 30, 1990

Marilyn Anderson
Notary Public in and for the
State of T E X A S

Marilyn Anderson
(Printed Name of Notary Public)

"EXHIBIT A"

DESCRIPTION OF RAILWAY CARS

<u>DRC NO.</u>	<u>HISTORY</u>		<u>TYPE</u>	<u>BUILDER</u>
1001	BN976183		Baggage	PS
1002	BN976166		Baggage	PS
1003	BN976167		Baggage	PS
1004	BN976161		Baggage	PS
3363	RI	363	First Parlor	Budd
3365	RI	365	First Parlor	Budd
4836	ARR	4836	First Diner	Budd
4842	ARR	4842	First Diner	Budd
4874	AMT	8074	First Diner	Budd
5200	ARR	5200	Coach	Budd
5201	ARR	5201	Coach	Budd
5202	ARR	5202	Coach	Budd
5203	ARR	5203	Coach	Budd
5204	ARR	5204	Coach	Budd
5205	ARR	5205	Coach	Budd
5206	ARR	5206	Coach	Budd
5220	AMT	5220	Coach	Budd
5409	AMT	5409	Coach	Budd
5410	AMT	5410	Coach	Budd
5421	AMT	5421	Coach	Budd
5428	AMT	5428	Coach	Budd
5624	AMT	5624	Coach	Budd
5626	AMT	5626	Coach	Budd
5627	AMT	5627	Coach	Budd
5640	AMT	5640	Coach	Budd
5641	AMT	5641	Coach	Budd
5646	AMT	5646	Coach	Budd
5660	AMT	5660	Coach	Budd
5663	AMT	5663	Coach	Budd
5665	AMT	5665	Coach	Budd
7021	D&RGW	1106	Coach Dome	Budd
7022	CB&Q	4716	Coach Dome	Budd
7031	D&RGW	1107	Coach Dome	Budd
7032	CB&Q	4717	Coach Dome	Budd
7033	D&RGW	1108	Coach Dome	Budd
7034	CB&Q	4722	Coach Dome	Budd
7891	MP	891	Coach Dome	Budd
8085	AMT	8085	Grill	PS
8088	AMT	8088	Grill	PS
9061	NYC	61	First Observation	Budd
462	AMT	2152	Sleeper	Budd
253	CBQ	253	Dome-Lounge	Budd
1290	GN	1290	Observation-Lounge	ACF

BN = Burlington Northern
 RI = Rock Island
 ARR = Alaska Railroad
 AMT = Amtrak
 D&RGW = Denver Rio Grande & Western
 CB&Q = Chicago Burlington & Quincy
 MP = Missouri Pacific
 NYC = New York Central
 GN = Great Northern
 PS = Pulman Standard
 ACF = American Car & Foundry