

The Indiana National Bank
One Indiana Square
Indianapolis, Indiana 46266
317-266-6258

1 5217
RECORDATION NO. _____ Filed & Recorded

APR 30 1987 11-1 0 AM

INTERSTATE COMMERCE COMMISSION



Indiana National

Date 4/30/87
Fee \$ 10.00
ICC Washington, D. C.

April 27, 1987

James F. Mally
Vice President and
Legal Counsel

Mrs. Mildred Lee
Interstate Commerce Commission
12th & Constitution NW
Washington, D.C. 20423

Dear Mrs. Lee:

Enclosed please find the following:

1. Security Agreement between American Railroad Maintenance Equipment, Inc. and The Indiana National Bank ("INB") dated January 28, 1985 (original and notarized copy.)
2. Check in the amount of \$10.00 for filing fees.

Please take the necessary steps to record INB's lien on the property of American Railroad Maintenance Equipment, Inc. described therein.

The addresses of the parties are as follows:

American Railroad Maintenance Equipment, Inc.
P.O. Box 101
Mitchell, Illinois 62040

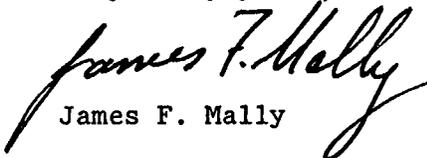
The Indiana National Bank
One Indiana Square
Indianapolis, Indiana 46266

It is my understanding that you will return the original security agreement after recording the lien. You may send the document to:

The Indiana National Bank
One Indiana Square
Indianapolis, Indiana 46266
Attn: James F. Mally, Suite 2500

Thank you for your assistance.

Very truly yours,


James F. Mally

JFM/jlj

Enclosures
0944I

Interstate Commerce Commission
Washington, D.C. 20423

4/30/87

OFFICE OF THE SECRETARY

James F. Mally
The Indiana National Bank
One Indiana Square
Indianapolis, Indiana 46266

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 4/30/87 at 11:10am, and assigned recordation number(s) -15217

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

BK
[Handwritten signature]

SECURITY AGREEMENT

1:5217

RECORDATION NO. _____

Filed & Recorded

(Equipment)

APR 30 1987 11-1 0 AM

American Railroad Maintenance Equipment, Inc. INTERSTATE COMMERCE COMMISSION ("Borrower")
of Madison County, Illinois, grants to The Indiana National Bank, Indianapolis, Indiana ("Bank"),
a security interest in the following described property.

- all equipment and machinery of the Borrower.
- including fixtures located at 121 Chain of Rocks Rd., Mitchell, IL 62040 on real estate owned by / occupied by American Railroad Maintenance Equipment, Inc.

together with all tools, accessories, parts, equipment and accessions now in, attached to or which may hereafter at any time be placed in or added to the above-described property; and also any replacements of such property (all of which is referred to herein as "Collateral") together with the proceeds of the Collateral, including payments made under any insurance for the loss, damage, or destruction of the Collateral to secure the payment of that certain indebtedness evidenced by a promissory note or notes executed by the Borrower in favor of the Bank in the principal sum of (\$ 3,000,000.00) Three Million and -----00/100 Dollars of even date herewith and any extensions or renewals thereof and all other liabilities of the Borrower in favor of the Bank, direct or indirect, absolute or contingent, now existing or hereafter arising, all of which the Borrower agrees to pay without relief from valuation or appraisal laws and with attorneys' fees; and the payment of any and all future advances that may be made by the Bank to the Borrower during the term of this Agreement shall likewise be secured by the Collateral, equally with and to the same extent as monies originally advanced under this Agreement.

Borrower hereby warrants to and agrees with the Bank that:

1. The Collateral is being acquired for business use, and the Collateral will will not be acquired with the proceeds of the loan of this date. (In the event the Collateral will be acquired with the proceeds of the loan, the Bank may disburse such proceeds to the seller of the Collateral.)
2. The Collateral will be kept at the address of the Borrower set out below, which in the case of a business is the address of the principal office of such business within this state. Borrower will not remove the Collateral from the state without the prior written consent of the Bank. If the Collateral is being acquired for farming use and the Borrower is not a resident of Indiana, the Collateral will be kept at the address set forth in the description of the Collateral. Borrower will immediately give written notice to the Bank of any change of address and in the case of a business, any change in its principal place of business and if the Collateral consists of equipment normally used in more than one state, and of any use of the Collateral in any jurisdiction other than a state in which the Borrower shall have previously advised the Bank such Collateral will be used.
3. In the event the Collateral will be attached to real estate, the description of such real estate and the known owner of record of such real estate are set forth in the description of the Collateral. If the Collateral is attached to such real estate prior to the perfection of the security interest granted herein, the Borrower will, on demand, furnish the Bank with a disclaimer or disclaimers, executed by persons having an interest in such real estate.
4. Borrower has, or will acquire, full and clear title to the Collateral, and, except for the security interest granted herein, will at all times keep the Collateral free from any adverse lien, security interest or encumbrance.
5. No financing statement covering all or any portion of the Collateral is on file in any public office.
6. Borrower authorizes the Bank at the expense of the Borrower to execute and file a financing statement or statements on its behalf in those public offices deemed necessary by the Bank to protect its security interest. In addition, Borrower will deliver or cause to be delivered such other documents as the Bank may request to secure the loan referred to herein including, without limiting, any certificate or certificates of title to the Collateral with the security interest of the Bank noted thereon.
7. Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of the Bank.
8. Borrower will at all times keep the Collateral insured against loss, damage, theft and other risks in such amounts under such policies and with companies as shall be satisfactory to the Bank, which policies shall provide that loss thereunder shall be payable to the Bank as its interest may appear and the Bank may apply the proceeds of such insurance against the outstanding indebtedness of the Borrower, regardless of whether all or any portion of such indebtedness is due and owing. All policies of insurance so required shall be placed in the possession of the Bank. Upon failure of the Borrower to procure such insurance or to remove any encumbrance upon the Collateral or if such insurance is cancelled, the indebtedness secured hereby shall become immediately due and payable at the option of the Bank without notice or demand or the Bank may procure such insurance or remove any encumbrance on the Collateral and the amount so paid by the Bank shall be immediately repayable and shall be added to and become a part of the indebtedness secured hereby and shall bear interest at the rate of eight percent (8%) per annum until paid.

9. Borrower will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any portion thereof. Borrower will not use the Collateral in violation of any statute or ordinance or any policy of insurance thereon and the Bank may examine and inspect such Collateral at any reasonable time or times wherever located.

10. Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

11. The occurrence of any one of the following events shall constitute an event of default under this Agreement: (a) nonpayment when due of any installment of the indebtedness hereby secured or failure to perform any agreement contained herein; (b) any statement, representation, or warranty at any time furnished the Bank is untrue in any material respect as of the date made; (c) Borrower becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against the Borrower alleging that such Borrower is insolvent or unable to pay debts as they mature; (d) entry of a judgment against the Borrower; (e) loss, theft, substantial damage, destruction, sale or encumbrance to or of all or any portion of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (f) death of the Borrower if the Borrower is a natural person or of any partner of the Borrower if the Borrower is a partnership; (g) dissolution, merger or consolidation or transfer of a substantial portion of the property of the Borrower if the Borrower is a corporation or a partnership; or (h) the Bank deems itself insecure for any other reason whatsoever. When an event of default shall occur and be existing, the note or notes and any other liabilities of the Borrower to the Bank may at the option of the Bank and without notice or demand be declared and thereupon immediately shall become due and payable and the Bank may exercise from time to time any rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law. Borrower agrees in the event of default to make the Collateral available to the Bank at a place acceptable to the Bank which is convenient to the Borrower.

If any notification of disposition of all or any portion of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days prior to such disposition, postage prepaid to the Borrower at its latest address appearing on the records of the Bank. Any proceeds of any disposition of the Collateral may be applied by the Bank to the payment of the expenses of retaking, holding, repairing, preparing for sale and selling, and shall include reasonable attorneys' fees and legal expenses and any balance of such proceeds shall be applied by the Bank toward the payment of the indebtedness owing the Bank.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. If more than one party shall execute this Agreement, the term "Borrower" shall mean all parties signing this Agreement and each of them, and all such parties shall be jointly and severally obligated hereunder. The neuter pronoun, when used herein, shall include the masculine and the feminine and also the plural. If this Agreement is not dated when executed by the Borrower, the Bank is authorized, without notice to the Borrower, to date this Agreement.

This Agreement has been delivered at Indianapolis, Indiana, and shall be construed in accordance with the laws of the State of Indiana. 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 invalid under applicable law, such provision shall be ineffective to the extent of such prohibition of invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be binding upon the heirs, administrators and executors of the Borrower and the rights and privileges of the Bank hereunder shall inure to the benefit of its successors and assigns.

IN WITNESS WHEREOF, this Agreement has been duly executed on this 28th day of January, 19 85.

American Railroad Maintenance Equipment, Inc.

[Signature]
BY: [Signature], President
Title

Address 121 Chain of Rocks Rd.
P. O. Box 101
Mitchell, IL 62040

Attest: [Signature]

COUNTY OF MARION)
)
STATE OF INDIANA)

I, Carolyn S. O'Conner a notary public in and for the County of Marion, State of Indiana state that the attached Security Agreement(Equipment) dated January 28, 1985 and signed by American Railroad Maintenance Equipment, Inc. is a true and compared copy of the original thereof.

Carolyn S. O'Conner
Notary Public

My County of Residence:
Marion

My Commission Expires:
January 21, 1989

Carolyn S. O'Conner
PRINTED