

RECORDATION NO. 13574
MAR - 2 1982 - 10 15 AM
INTERSTATE COMMERCE COMMISSION



RECORDATION NO. 13574-A

Funding Systems Railcars, Inc.

MAR - 2 1982 - 10 15 AM

TRI-STATE CENTER • SUITE 370 • 2215 SANDERS RD. • NORTHBROOK, IL 60062 • (312) 272-8350

INTERSTATE COMMERCE COMMISSION

25 February 1982

2-061A074

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, DC 20423

No.
MAR 2 1982
Date.....
Fee \$100.00
ICC Washington, D. C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of Section 11303 of Title 49 of the United States Code and the regulations thereunder are the original and one copy each of Lease Agreement, a primary document, dated 22 January 1982 and Security Agreement, a primary document, dated 22 January, 1982.

The names and addresses of the parties to the enclosed documents are:

A. Lease Agreement

Lessor: Funding Systems Railcars, Inc.
Tri-State Center, Suite 370
2215 Sanders Road
Northbrook, Illinois 60062

Lessee: Lenawee County Railroad Company, Inc.
708 East Michigan Street
Adrian, Michigan 49221

B. Security Agreement

Secured Party: Funding Systems Railcars, Inc.
Tri-State Center, Suite 370
2215 Sanders Road
Northbrook, Illinois 60062

Debtor: Lenawee County Railroad Company, Inc.
708 East Michigan Street
Adrian, Michigan 49221

A general description of the railroad equipment covered by the enclosed documents is, as follows:

ten (10) 52' 6", 5' high side gondola cars bearing reporting mark and numbers LCRC 5086, LCRC 5115, LCRC 5136, LCRC 5138, LCRC 5149, LCRC 5096, LCRC 5117, LCRC 5124, LCRC 5161, LCRC 5169

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The original and all copies of the enclosed documents should be returned to Ms. Sharon Schumacher of Funding Systems Railcars, Inc., 2215 Sanders Road, Suite 370, Northbrook, IL 60062..

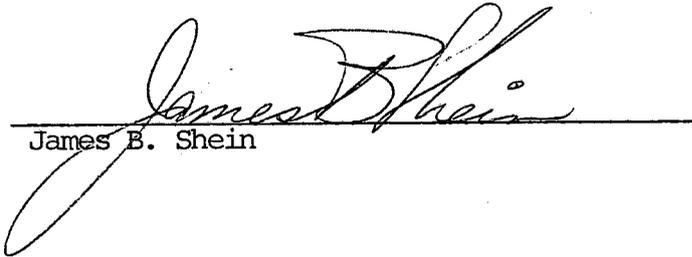
Also enclosed is a remittance in the amount of \$100.00 for payment of recordation fees.

I am an officer of Funding Systems Railcars, Inc., and have knowledge of the matters set forth herein.

Very truly yours,

Funding Systems Railcars, Inc.

By


James B. Shein

RECORDATION NO. 13574-A

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of JANUARY 22, 1982

BETWEEN

FUNDING SYSTEMS RAILCARS, INC.

("SECURED PARTY")

AND

LENAWEE COUNTY RAILROAD COMPANY, INC.

("DEBTOR")

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of the 22ND day of JANUARY 1982, by and between FUNDING SYSTEMS RAILCARS, INC. (the "Secured Party") and LENAWEE COUNTY RAILROAD COMPANY, INC. (the "Debtor").

WHEREAS, the parties hereto propose to enter into a certain Lease Agreement (the "Lease") of even date herewith between Secured Party as lessor and Debtor as lessee, whereby Debtor will lease from and manage for the Secured Party certain items of railroad equipment (collectively, the "Equipment" and individually, an "Item of Equipment"). Said Equipment is more fully described on Schedule 1 attached hereto and may be amended from time to time with the consent of both parties hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do agree as follows:

1. Security Interest. In order to induce Secured Party to enter into the Lease and to secure the obligations of Debtor to Secured Party under the Lease, whether now existing or hereafter incurred and as may be amended from time to time, Debtor hereby grants to Secured Party as security interest in the Collateral described below.

2. Collateral. The Collateral referred to in Paragraph 1 above is Lessee's leasehold interest in the Equipment and all of its right, title and interest in and to all accounts, chattel paper, contract rights, general intangibles, instruments, per diem and incentive per diem charges, mileage charges, income, revenue and other proceeds arising therefrom or in connection therewith or in connection with the use, lease, operation, control or possession of the Equipment.

3. Covenants. Debtor covenants and represents as follows:

(a) Debtor will warrant and defend the Collateral against the claims and demands of all persons.

(b) Debtor shall execute and deliver UCC-1 financing statements or other documents required by Secured Party to perfect its security interest in the Collateral.

4. Representations and Warranties of Debtor. Debtor represents and warrants as follows:

(a) Debtor is a corporation legally incorporated, validly existing and in good standing under the laws of the state of its incorporation, with adequate corporate powers to own its properties, to carry on its business as now conducted and to enter the Security Agreement and to execute and deliver the Lease Agreement.

(b) The Lease and Security Agreement have been duly authorized, executed and delivered by Debtor and constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their respective terms.

5. Default. Any misrepresentation on the part of Debtor herein or any noncompliance or nonperformance of Debtor's obligations hereunder or the occurrence of an Event of Default under the Lease shall constitute a default hereunder.

6. Remedies. Upon the occurrence of a default hereunder, Secured Party shall have all the rights provided under the Interstate Commerce Act and under the Uniform Commercial Code as adopted in Illinois.

7. Inspection of Records. Secured Party may at any reasonable time, enter upon Debtor's premises to inspect Debtor's books and records pertaining to the Collateral, and Debtor shall, if requested, assist Secured Party in making such inspections.

8. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

9. Benefits. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ATTEST:

FUNDING SYSTEMS RAILCARS, INC.

Robert J. Blankmeyer

By J. N. Bell
Title: EXECUTIVE VICE PRESIDENT

ATTEST:

LENAWEE COUNTY RAILROAD COMPANY, INC.
Debtor

Jayce J. Bakewell

By OB Hock
Title: VP & General Manager

STATE OF Pennsylvania

COUNTY OF Montgomery

On this 22nd day of January, 1982, before me personally appeared J. Noel Ball, to me personally known, who being by me duly sworn says that such person is Executive Vice President of Funding Systems Railcars, Inc., that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Ann Tuturice

MARY ANN TUTURICE, Notary Public
Upper Merion Twp., Montgomery Co., Pa.
My Commission Expires September 24, 1984

STATE OF MICHIGAN

COUNTY OF LENAWEE

On this 28th day of January 1982, before me personally appeared Charles B. Lockwood, to me personally know, who being by me duly sworn says that such person is Vice President & General Manager of LENAWEE COUNTY RAILROAD CO., INC. that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joyce J. Bakewell
Notary Public

Joyce J. Bakewell, Notary Public

JOYCE J. BAKEWELL
Notary Public, Lenawee County, MI
My Commission Expires April 17, 1985

LEASE SCHEDULE NO. 1

LEASE SCHEDULE, dated as of the 2nd day of February, 1982 by and between FUNDING SYSTEMS RAILCARS, INC. ("LESSOR") and LENAWEE COUNTY RAILROAD COMPANY ("LESSEE") pursuant to a certain Lease Agreement (the "LEASE") dated as of January 22, 1982 between LESSOR and LESSEE (the terms and conditions of said LEASE are incorporated herein by reference).

DESCRIPTION OF EQUIPMENT: 10 - 52' 6" Long, 5' High Side, 100 Ton Gondola
Cars.

REPORTING NUMBERS AND MARKS:

OCTR 5086	TO BE	LCRC 5086
OCTR 5115	TO BE	LCRC 5115
OCTR 5136	TO BE	LCRC 5136
OCTR 5138	TO BE	LCRC 5138
OCTR 5149	TO BE	LCRC 5149
OCTR 5096	TO BE	LCRC 5096
OCTR 5117	TO BE	LCRC 5117
OCTR 5124	TO BE	LCRC 5124
OCTR 5161	TO BE	LCRC 5161
OCTR 5169	TO BE	LCRC 5169

TERM: One (1) Year

WITNESS the due execution hereof as of the day and year first above written.

LENAWEE COUNTY RAILROAD COMPANY

FUNDING SYSTEMS RAILCARS, INC.

BY

Chock

TITLE:

VT # General Mgr

BY

James P. Heit

TITLE:

PRESIDENT