



**ASSOCIATES COMMERCIAL CORPORATION**

(A subsidiary of ASSOCIATES CORPORATION OF NORTH AMERICA)

1810 CRAIG ROAD • SUITE 125  
ST. LOUIS, MISSOURI 63146  
314 434-9181

RECORDATION NO. 14197 Filed 1425

November 15, 1983

3-320A027

NOV 16 1983 1 12 PM

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

Attention: Mildred Lee, Room 2303

Secretary:

INTERSTATE COMMERCE COMMISSION

NOV 16 1983

Date .....

Fee \$ 50.00

ICC Washington, D. C.

RECEIVED  
NOV 16 1 40 PM '83  
I.C.C.  
FEE OPERATION BR

I have enclosed one 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 Chattel Mortgage (Security Agreement), a primary document, dated November 14, 1983. The names and addresses of the parties to the documents are as follows:

Mortgagor (Debtor) American Railroad Maintenance Equipment, Inc.,  
South end Washington Avenue,  
Madison, Illinois 62060.

Mortgagee (Secured Party) Associates Commercial Corporation,  
1810 Craig Road,  
St. Louis, Missouri 63146.

A description of the equipment is attached as Schedule A to this letter. Included in the property covered by the aforesaid mortgage (Security Agreement) are railroad maintenance of way items intended for use related to interstate commerce, or interests therein, owned by American Railroad Maintenance Equipment, Inc. at the date of said mortgage (Security Agreement) or thereafter acquired.

A fee of \$50.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Associates Commercial Corporation, 1810 Craig Road, St. Louis, Missouri 63146.

A short summary of the document to appear in the index follows:

Chattel Mortgage (Security Agreement) between American Railroad Maintenance Equipment, Inc., South end Washington Avenue, Madison, Illinois 62060, Mortgagor (Debtor) and Associates Commercial Corporation, 1810 Craig Road, St. Louis, Missouri 63146, Mortgagee (Secured Party) dated November 14, 1983, and covering railroad maintenance of way equipment now owned or hereafter acquired by Mortgagor (Debtor).

Yours very truly,

Associates Commercial Corporation

A. B. Scott

Assistant Vice President

ABS/dw

*Countdown Mary Ann Oster*

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

11/16/83

OFFICE OF THE SECRETARY

**Associates Commercial Corp.**  
**1810 Craig Road**  
**St. Louis, Missouri 63146**

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 **11/16/83** at **1:50pm** and assigned re-  
recording number (s). **14197**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure (s)

14197

ATCO. BATION NO. F. No 1425

NOV 16 1983 - 1 10 PM

SECURITY AGREEMENT (CHATTEL MORTGAGE)

(This form is subject to legal requirements of states where used.)

INTERSTATE COMMERCE COMMISSION

The undersigned dealer ("Debtor") is now or may hereafter be engaged in the business of selling at retail the following described types of property and such other property as may be described from time to time in any agreement which is supplemental hereto (all of which property, with all attachments, accessories, exchanges, replacements, parts, equipment and additions thereto, are herein collectively called "Inventory"):

Railroad maintenance of way equipment including but not limited to spike drivers, rail anchors, prime movers, tie inserters, tie saws, tie injectors, tie handlers, bolt machines, cranes, power ballasters, snow blowers, dump carts, ballast cribbers, anchor tighteners, "supertrucks" together with cranes mounted on supertrucks, tie pullers, brush cutters,

Debtor hereby requests the below named secured party ("Secured Party") to make loans (herein individually called an "Advance" and collectively called "Advances") from time to time to Debtor, the proceeds of which will be used by Debtor for business purposes. Debtor acknowledges and agrees that any Advance made pursuant hereto shall be at Secured Party's sole discretion and that no Advance made will obligate Secured Party to make any additional Advance.

SECURITY INTEREST: To secure payment of all Advances which Secured Party may elect to make pursuant hereto from time to time, Debtor hereby grants to Secured Party a security interest in the following described collateral (all herein collectively called "Collateral"): all present and future Inventory and all chattel paper, documents, general intangibles, instruments, accounts and contract rights now existing or hereafter arising with respect thereto, and all cash and non-cash proceeds of any of the foregoing. Debtor agrees that at any time and from time to time, upon the request of Secured Party, Debtor will promptly (i) deliver to Secured Party all Collateral other than Inventory, (ii) mark all chattel paper, documents and instruments and Debtor's books of account, ledger cards and other records relative to the Collateral with a notation satisfactory to Secured Party disclosing that they are subject to Secured Party's security interest, (iii) execute and deliver to Secured Party such instruments and agreements as Secured Party may request to evidence further each Advance and the security interests granted hereunder, including, without limitation, a Supplemental Security Agreement in form approved by Secured Party, and (iv) permit Secured Party or its representatives to examine the Collateral and Debtor's books and records.

See Rider A attached hereto and made a part hereof.

PAYMENT: Debtor agrees to pay to Secured Party, promptly as billed, interest and charges on the unpaid balance of all Advances outstanding from time to time, computed at the rates and charges then in effect. Debtor promises to pay on demand to Secured Party each and every Advance and the interest and charges thereon, provided, however, that upon the sale of any item of Inventory the amount of the Advance applicable thereto shall become immediately due and payable without notice or demand. All amounts payable pursuant hereto are payable at Secured Party's address set forth below or at such other address as Secured Party may specify from time to time in writing. Any instrument or agreement which is executed by Debtor and specifies an amount payable shall evidence indebtedness and not payment.

CROSS SECURITY: Debtor grants to Secured Party a security interest in the Collateral to secure the payment and performance of all direct or contingent obligations and liabilities of Debtor to Secured Party now existing or hereafter arising, whether under this agreement or under any other agreement. The security interests granted hereby shall continue effective regardless of any retaking and redelivery of Collateral to Debtor.

LOCATION: The Collateral shall be kept at Debtor's place of business at the address set forth below Debtor's signature or at one of the following places of business of Debtor:

GOVERNING LAW: This agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Illinois, including all matters of construction, validity and performance. No oral agreement, guaranty, promise, representation or warranty shall be binding upon Secured Party.

(The additional terms and provisions on the reverse side are a part of this security agreement.)

Dated November 14, 1983

Secured Party ASSOCIATES COMMERCIAL CORPORATION

Dealer (Debtor) American Railroad Maintenance Equipment, Inc. (Name of individual, corporation or partnership. If individual, give trade style, if any, after name.)

By [Signature] (Authorized Representative)

[Signature] Title President (If corporation, authorized officer must sign and show corporate title. If partnership, a general partner must sign. If owner or partner, show which.)

1810 Craig Road (Street Address) St. Louis, Missouri 63146 (City, State and Zip Code)

South end Washington Avenue (Street Address) Madison, Madison, Illinois 62060 (City, County, State and Zip Code)

(Additional terms and provisions of security agreement)

A. Debtor warrants and agrees that: the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances other than that created hereby; no financing statement covering the Collateral is now on file in favor of anyone other than Secured Party; there will be no material change in the managerial control of Debtor; the Inventory will be maintained in good operating condition, repair and appearance and will not be used for any purpose other than demonstration at Debtor's place(s) of business set forth on the face hereof, and any such demonstration will be in conformity with all applicable governmental laws and regulations; the Inventory will not be removed from such places of business without the prior written consent of Secured Party; and, notwithstanding Secured Party's claim to proceeds, Debtor will not sell, rent, lend, encumber, pledge, transfer, secrete or otherwise dispose of any of the Collateral, nor will Debtor permit any such act, provided, however, as long as an event of default has not occurred and is not then continuing hereunder, Debtor may sell any item of Inventory in the regular course of Debtor's business for a price not less than the amount of the Advance applicable thereto. All sales of Inventory shall be for cash or upon such terms and conditions as Secured Party may approve in writing. Upon the sale of an item of Inventory the amount of the Advance applicable thereto shall become immediately due and payable and Debtor shall immediately pay such amount in cash to Secured Party without notice or demand. All Collateral resulting from such sale shall be held by Debtor in trust for Secured Party, separated from all other funds and assets of Debtor. If the manufacturer of an item of Inventory reduces the advertised price for that type of item, Debtor agrees to pay immediately to Secured Party an amount equal to the reduction in price, which will be applied against the amount of the Advance applicable to such item.

B. Debtor agrees, at its own cost and expense: to do everything necessary or expedient to perfect and preserve the security interest of Secured Party; to defend any action, proceeding or claim affecting the Collateral; to furnish Secured Party promptly with such financial statements and other information as Secured Party may reasonably request from time to time; to pay the reasonable fees and costs of any attorneys retained by Secured Party and all other expenses incurred by Secured Party in enforcing its rights after the occurrence of an event of default; and to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the Collateral, this agreement, any supplemental agreements or any accompanying notes.

C. Debtor shall at all times bear all risk of loss of, damage to or destruction of the Collateral. Debtor agrees to procure forthwith and maintain insurance on the Inventory, for the full insurable value thereof and for the life of this agreement, in the form of Fire insurance with Extended Coverage or Combined Additional Coverage, as appropriate, and Collision, Theft and/or Vandalism and Malicious Mischief Coverage when appropriate, plus such other insurance as Secured Party may specify from time to time, all in form and amount and with insurers satisfactory to Secured Party. Debtor agrees to deliver promptly to Secured Party certificates or, if requested, policies of insurance satisfactory to Secured Party, each with a standard long-form loss-payable endorsement naming Secured Party or assigns as loss-payee as their interests may appear. Each policy shall provide that Secured Party's interest therein will not be invalidated by the acts, omissions or neglect of anyone other than Secured Party, and will contain insurer's agreement to give 30 days prior written notice to Secured Party before the cancellation of or any material change in the policy will be effective as to Secured Party, whether such cancellation or change is at the direction of Debtor or insurer. Secured Party's acceptance of policies in lesser amounts or risks will not be a waiver of Debtor's foregoing obligation. Debtor assigns to Secured Party all proceeds of such insurance, including returned and unearned premiums, not to exceed the sum of all amounts payable pursuant hereto. Debtor directs all insurers to pay such proceeds directly to Secured Party. Debtor appoints Secured Party its attorney-in-fact to endorse all instruments.

D. If Debtor fails to perform any of its obligations hereunder, Secured Party may perform the same, but shall not be obligated to do so, for the account of Debtor to protect the interest of Secured Party or Debtor or both, at Secured Party's option, and Debtor shall immediately repay to Secured Party any amounts paid by Secured Party in such performance together with interest thereon at 1½% per month if not prohibited by law, otherwise at

the highest rate Debtor may legally obligate itself to pay.

E. If permitted by law, Debtor agrees that a carbon, photographic or other reproduction of this agreement or of a financing statement may be filed as a financing statement.

F. Time is of the essence. An event of default shall occur if: (a) Debtor fails to pay when due any amount owed by it to Secured Party or to any affiliate of Secured Party, whether hereunder or under any other instrument or agreement; (b) Debtor fails to perform or observe any other term or provision to be performed or observed by it hereunder or under any other instrument or agreement furnished by Debtor to Secured Party or to any affiliate of Secured Party or otherwise acquired by Secured Party or any affiliate of Secured Party; (c) any representation or warranty made by Debtor herein or in any document or certificate furnished by Debtor to Secured Party or to any affiliate of Secured Party was incorrect in any material respect when made; (d) Debtor becomes insolvent or ceases to do business as a going concern; (e) any of the Collateral is lost or destroyed; (f) Debtor makes an assignment for the benefit of creditors or takes advantage of any law for the relief of debtors; (g) a petition in bankruptcy, or for an arrangement, reorganization or similar relief is filed by or against Debtor; (h) any property of Debtor is attached, or a trustee or receiver is appointed for Debtor or for a substantial part of its property, or Debtor applies for such appointment; (i) Debtor or its shareholders take any action looking to its dissolution or liquidation; or (j) Secured Party in good faith believes that the prospect of payment or performance hereunder is impaired.

G. Upon the occurrence of an event of default, and at any time thereafter as long as the default continues, Secured Party may, at its option, with or without notice to Debtor, (i) declare this agreement to be in default, whereupon all amounts payable pursuant hereto and all other debts then owing by Debtor to Secured Party will become immediately due and payable, (ii) cancel any insurance and credit any refund to the indebtedness, and (iii) exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable laws, including, without limitation, the right to require Debtor to assemble the Collateral and deliver it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party may bid at any sale and become the owner of the Collateral. Debtor agrees that Secured Party may bring any legal proceedings it deems necessary to enforce the payment and performance of Debtor's obligations hereunder in any court in the State shown in Secured Party's address set forth herein; and service of process may be made upon Debtor by mailing a copy of the summons to Debtor at its address shown herein. Unless otherwise provided by law, any requirement of reasonable notice regarding the sale or other disposition of Collateral which Secured Party may be obligated to give will be met if such notice is mailed to Debtor at its address shown herein at least ten days before the time of sale or other disposition. Expenses of retaking, holding, preparing for sale, selling and the like shall include reasonable attorneys' fees (20% if not prohibited by law) and other legal expenses. Debtor agrees that it is liable for and will pay on demand any deficiency resulting from any disposition of Collateral after default.

H. Waiver of any default shall not be a waiver of any other default; all of Secured Party's rights are cumulative and not alternative. No waiver or change in this agreement or in any related agreements shall bind Secured Party unless in writing signed by one of its officers. Debtor waives all exemptions. Secured Party may correct patent errors herein and fill in blanks. 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 agreement is executed pursuant to authority of its Board of Directors. All of the terms and provisions of this agreement shall apply to and be binding upon Debtor, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Secured Party, its successors and assigns. If more than one party executes this agreement the term "Debtor" means and includes each such party, and the indebtedness herein specifically described is the joint and several obligation of each such party.



RIDER A

Attached to and made a part of that certain Security Agreement (Chattel Mortgage) ("this Agreement") dated November 14, 1983

between Associates Commercial Corporation (herein called "Secured Party") and American Railroad Maintenance Equipment, Inc. (herein called "Debtor")

RE: Various, as agreed to by secured party from time to time

Anything contained in this Agreement to the contrary notwithstanding, Secured Party agrees that Debtor may rent the personal property described in this Agreement (the "Collateral") to the lessee named above or to such other persons as Secured Party may approve in writing ("Lessee") upon the terms set forth herein.

obligation to perform or fulfill any of Debtor's obligations as Lessor under any Lease, including, without limitation, any obligation to furnish maintenance, repairs, service or insurance and (ii) Lessee's rights to the Collateral are subject and subordinate to all of the terms of this Agreement, including, without limitation, Secured Party's right to possession of the Collateral after the occurrence of an event of default hereunder;

No Lease shall relieve Debtor of any of its obligations to Secured Party under this Agreement, and the aforesaid assignment of and security interest granted in the Documents shall not be construed as authorizing Debtor to do anything with the Collateral other than to lease the same to Lessee in accordance with the terms of this Agreement.

Debtor will not remove or permit the Lessee or any other person to remove the Collateral from the location (or, if the Collateral is mobile equipment normally used at more than one location, to change the place of permanent garaging) set forth for it on the face of this Agreement without prior written consent of Secured Party.

Debtor shall have no authority to, and will not, without Secured Party's prior written consent, accept collections, repossess, substitute or consent to the return of the Collateral or modify the terms or provisions of the Documents, provided, however, until Secured Party notifies Debtor to the contrary, Debtor may collect rents and monies owing under the Documents as the same become due but not otherwise.

Secured Party shall have the right at all reasonable times and from time to time (i) to visit and inspect the Collateral or Additional Collateral, (ii) to audit any and all of Debtor's books and records, (iii) to confirm and verify the amount owing to Debtor from the obligors under the Documents, (iv) to discuss the affairs, finance and accounts of Debtor with, and to be advised as to the same by, its officers at such reasonable times and intervals as Secured Party may desire, and (v) to do whatever else Secured Party may reasonably deem necessary to protect its interest.

Debtor agrees and warrants that: all Documents are and shall be genuine and enforceable; each Lease is the only agreement then covering the Collateral being leased thereunder, other than this Agreement; each Lease shall contain the entire agreement between Debtor and Lessee; if required by Secured Party, all obligors under the Documents shall waive all rights to any defenses, set-offs and counterclaims as against Secured Party; if required by Secured Party, each Lessee shall acknowledge and agree that (i) Secured Party has no

Any assignee of Secured Party shall have all of Secured Party's rights hereunder, including the benefit of Debtor's warranties.

Secured Party Associates Commercial Corporation

Debtor American Railroad Maintenance Equipment Inc

By [Signature] Title Asst. Mgr.

[Signature] Title President

If different from Debtor's address set forth on the face of this Agreement: the address of Debtor's chief executive office is the address of Debtor's principal place of business is

SCHEDULE A

Attached to and made a part of a(n) Security Agreement dated 11-14-1983

between American Railroad Maintenance Equipment, Inc.

and Associates Commercial Corporation

(Describe property fully, including year if appropriate, make, model, kind of unit, serial number and any other pertinent information.)

All present and future inventory of railroad maintenance of way equipment including but not limited to:

- 11 - RMC Spike Drivers S/N AS376, AS377, AS378, AS291, AS409, AS501, AS502, AS503, AS506, AS504, AS505,
1 - Nordberg Spike Driver S/N 166,
4 - Racine Rail Anchors S/N 139, 128, 305, 192,
13 - RMC Rail Anchors S/N AM163, AM161, AM162, AM171, AM172, AM170, AM169, AM167, AM168, AM173, AM174, AM164, AM166,
1 - Case (unimog) Prime Mover S/N 027551/30204,
5 - Kershaw Tie Inserters S/N HS223, HS226, HS227, 34399, 34400,
5 - Fairmont Tie Inserters S/N UPRTB514, 239129, 236609, 242214, 242523,
2 - Kershaw Tie Saw S/N DTS221, 3D45116,
3 - Kershaw Tie Injectors S/N 39223, 39228, 39229,
6 - RTW Tie Handlers S/N 36, 259, 253, 260, 310, 312,
2 - Safetran Bolt Machines S/N 62817, 63697,
4 - Pettibone Cranes, Model 441B, 442CM, 441AD, S/Ns 1560, 1701, 2223, 2225,
12 - Canron Power Ballasters S/N 61755, 62246, 61157, 2472563, 2473354, 676557, 676567, 676527, 676577, 676587, 1076438, 1076458,
1 - Plasser Power Ballaster S/N 1058,
1 - Canron Pregauger S/N 3570226,
1 - Hurricane Snow Blower S/N 343,
1 - Herington Jetsnow Blower S/N HG TN001,
1 - Herington Dump Cart S/N 001,
3 - Galion Combination Highway & Rail Cranes Model 150, 150A, D93292, S/N 7244, 7245, 14041533,
1 - Kershaw Ballast Cribber S/N 16331,
2 - Racine Anchor Tighteners S/N DAT151, DAT152,
2 - 1978 Ford F9000 "Super Trucks" S/N L91LVBA7469, L91LVBA7470 with tandem axles, high rail attachments, and National 5 ton cranes S/N 10126 and 10896,

together with all present and future attachments, accessories, exchanges, replacement parts, repairs and additions thereto, and all chattel paper, documents, general intangibles, instruments, accounts and contract rights, now existing or hereafter arising with respect to any thereof, and all cash and non-cash proceeds of any of the foregoing.

Customer's signature [Handwritten Signature]

STATE OF ILLINOIS

COUNTY OF WAYNE

On this 14th day of November, 1983, before me personally appeared Robert W. Venturi, to me personally known, who being by me duly sworn, says that he is the President of American Railroad Maintenance Equipment, 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.

(Seal)

  
Dixie Hurley  
Signature of Notary Public

My commission expires

March 15, 1987.