



ALBUQUERQUE NATIONAL BANK

ALBUQUERQUE, NEW MEXICO 2-027A040

RECORDATION NO. 12171-C
JAN 27 1982 - 11 15 AM
INTERSTATE COMMERCE COMMISSION

January 15, 1982

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

No. _____
Date **JAN 27 1982**
Fee \$ **10.00**
ICC Washington, D. C.

Re: Recordation No. 12171-A

Dear Ms. Secretary:

On behalf of Albuquerque National Bank, I submit for filing and recording under 49 U.S.A. Sec. 111303(a), a Security Agreement dated December 23, 1981, between Albuquerque National Bank and John A. Westman duly executed and notarized. I also enclose four (4) certified true copies of this security agreement. A Railroad Car Management Agreement has been previously filed with the ICC under the captioned recordation number.

The addresses of the parties to this transaction are:

Albuquerque National Bank, as secured party
303 Roma, N. W.
Albuquerque, New Mexico 87103

John A. Westman, as debtor
621 Cedar Hill Road, N. E.
Albuquerque, New Mexico 87122

Enclosed is a check in the amount of \$10.00 in payment of the recording fee.

Once the filing has been made, please return:

- a) the original document file stamped;
- b) the file stamped conformed copies not required for filing purposes;
- c) the receipt;
- d) the letter from the Interstate Commerce Commission acknowledging the filing and;
- e) the extra copy of this letter of transmittal.

Should you have any questions, please call me at (505)765-2232.

Albuquerque National Bank

By: *Don L. Davis*
Title: Assistant Vice President

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE SECRETARY

Sam L. Dazzo, Jr.
Assistant Vice Pres.
Albuquerque National Bank
Albuquerque, New Mexico

January 27, 1982

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 1/27/82 at 10:15AM , and assigned re-
recording number(s). 12171-C

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 12171-C
F1100 1428

JAN 27 1982 - 10 15 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

December 23, 1981
DATE

Westman Investments C, a resident of P. O. Box 6445
NO. AND STREET

Albuquerque Bernalillo New Mexico
CITY COUNTY STATE

(hereinafter called "DEBTOR"), for consideration grants to

Name: ALBUQUERQUE NATIONAL BANK

Office: Main Office

Office Address: 303 Roma N. W., Albuquerque, New Mexico
NO. STREET

(hereinafter called "SECURED PARTY") a security interest in the following property and any and all accessions thereto and the proceeds thereof, (hereinafter called the "COLLATERAL"):

Four (4) Railcars, #RUSX 5001-5004, 100 Ton Roller Bearing, CF 4650 Center Flow Covered Hopper Cars.

MARK IF APPLICABLE: Debtor also grants a security interest in all similar property (except property which may be classified as consumer goods under the New Mexico Uniform Commercial Code) owned by Debtor during the time that the Obligations are outstanding, although such property may be acquired after the date hereof.

THE SECURITY INTEREST GRANTED HEREBY is to secure payment of the indebtedness evidenced by a certain promissory note of even date herewith (hereinafter collectively called the "NOTE") payable to Secured Party, or order, as follows:

In the original principal amount of One Hundred Forty-One Thousand Six Hundred Six and No/100ths Dollars (\$141,606.00); payable in quarterly payments of \$8,700.00 including interest, beg. 3/20/82; all due in three (3) years from date.

MARK IF APPLICABLE: The security interest granted hereby also secures payment of any and all other indebtedness of Debtor to Secured Party, now owed or hereafter advanced to Debtor or expended by Secured Party or its assigns on behalf of Debtor or its assigns for any purpose whatsoever, whether evidenced by notes, drafts, open account, or otherwise, with interest thereon at rates set forth herein or to be fixed by Secured Party at the time of advancing or expending such additional sums; provided that the making of any such advances or expenditures shall be optional with Secured Party, or its assigns.

THE SECURITY INTEREST GRANTED HEREBY ALSO SECURES the payment of any and all extensions and renewals and successive extensions and renewals of the Note and of any other indebtedness secured hereby. All of the indebtedness secured hereby is referred to herein as the "Obligations." This security agreement shall stand as a continuing security for the Obligations until paid in full and satisfied. Debtor agrees that Secured Party, its successors and assigns, shall have the option to apply any payments made by Debtor to the full or partial satisfaction of any one or more of the Obligations designated by Secured Party.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

1. Except for the security interest granted hereby Debtor is, or to the extent that this agreement states that the Collateral is to be acquired after the date hereof will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

2. If marked here , the Collateral is used or bought primarily for personal, family or household purposes; if marked here , the Collateral is used or bought primarily for use in farming operations; if marked here , the Collateral is being acquired with the proceeds of the Note, which Secured Party may disburse direct to the Seller of the Collateral.

3. Debtor's county of residence is as stated above, and the Collateral will be kept at

NO. AND STREET CITY COUNTY STATE

4. If any of the Collateral has been attached to or is to be attached to real estate or if the Collateral includes crops or oil, gas or minerals to be extracted or timber to be cut, a description of the real estate is as follows:

and the name of the record owner of the real estate is _____;
and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby or if the Collateral includes crops or oil, gas or minerals to be extracted or timber to be cut, Debtor will, on demand of Secured Party, furnish Secured Party with a disclaimer or disclaimers or subordination agreement signed by all persons having an interest in the real estate, disclaiming or subordinating any interest in the Collateral which is prior to Secured Party's interest.

5. No financing statement covering the Collateral or any proceeds thereof is on file in any public office. At the request of the Secured Party, Debtor will join with Secured Party in executing one or more financing statements pursuant to the New Mexico Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing such financing statement, this security agreement and any continuation or termination statement, in all public offices wherever filing is deemed by Secured Party to be necessary or desirable.

6. Debtor will not sell, transfer or dispose of the Collateral, nor take the same or attempt to take the same from the county where kept as above stated, without the prior written consent of Secured Party.

7. Debtor will pay all taxes and assessments of every nature which may be levied or assessed against the Collateral.

8. Debtor will not permit or allow any adverse lien, security interest or encumbrance whatsoever upon the Collateral, and will not permit the same to be attached or replevied.

9. The Collateral is in good condition, and Debtor will, at its own expense, keep the same in good condition and from time to time, forthwith, replace and repair all such parts of the Collateral as may be broken, worn out, or damaged without allowing any lien to be created upon the Collateral on account of such replacement or repairs. Secured Party may examine and inspect the Collateral at any time, wherever located.

10. If Debtor fails to pay any governmental or other levy arising after the date of the loan evidenced by the Note which would create a lien superior to the lien of Secured Party in the Collateral, Secured Party may, at its option, pay such levy. Debtor agrees to reimburse Secured Party, on demand, for any such payment made or expense incurred by Secured Party. The amount of any such payment or expense, with interest thereon, shall be an additional Obligation secured by this security agreement.

11. Debtor will immediately, at its own expense, insure the Collateral with a reputable insurance company acceptable to Secured Party against loss or damage by fire, hazards included within the term extended coverage, theft and _____ and such other risks as Secured Party may designate for an amount not less than the aggregate sum of the indebtedness secured hereby and Debtor will keep the Collateral insured continuously until the Obligations are paid in full and satisfied, with loss payable clause in favor of Secured Party as its interest may appear, and Debtor will on demand deliver the policies of insurance to Secured Party, or furnish other proof of such insurance satisfactory to Secured Party. In case of loss, Secured Party may, at its option, retain from the insurance proceeds an amount equal to the unpaid balance of the Obligations, whether the total amount thereof is due or not, or permit the application of the insurance proceeds to the repair or replacement of the Collateral after receiving proof satisfactory to Secured Party of such repair or replacement. If Debtor defaults in any of its Obligations under this paragraph, Secured Party may, at its option, place and pay for such insurance or purchase lender's single interest insurance covering Secured Party's interest in the Collateral and the amount paid by Secured Party, with interest thereon, shall be an additional Obligation secured by this security agreement.

12. In the event this security agreement is placed in the hands of an attorney for enforcement, Debtor will pay the reasonable attorneys' fees of Secured Party and Debtor will pay Secured Party any and all costs and expenses incurred in recovering possession of the Collateral and incurred in enforcing this security agreement, and the same shall be secured by this security agreement.

13. Debtor will pay Secured Party interest on all amounts paid or advanced by Secured Party to protect its interests in or enforce its rights with respect to the Collateral including, without limitation, amount paid or advanced pursuant to paragraphs 10, 11 and 12 hereof. Interest shall be payable from the date of payment or disbursement at the rate charged Debtor on the loan evidenced by the Note until paid unless such rate of interest would be contrary to applicable law in which event the rate of interest paid shall be the maximum rate permitted by law.

14. Debtor will not use the Collateral in violation of any applicable statutes, regulations or ordinances and if the Collateral includes one or more motor vehicles Debtor will not rent the Collateral nor allow the Collateral to be used in rental service, or in any speed or endurance contest and will not use or cause or permit the Collateral to be used for the transportation of liquor, wines or any other beverage for personal or commercial use, prohibited by any federal or state statute to be transported.

UNTIL DEFAULT Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon, and upon default Secured Party shall have the immediate right to the possession of the Collateral.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any of the following events or conditions:

1. Default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in the Note or in any other note or other instrument evidencing or securing any Obligation;
2. Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false in any material respect when made or furnished;
3. Any event which results in the acceleration of the maturity of any indebtedness of Debtor to others;
4. Loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon;
5. Secured Party deems itself or the Collateral insecure;
6. Death, dissolution, termination of existence, insolvency or business failure of the Debtor or of any guarantor or surety for Debtor;
7. Appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or of any guarantor or surety for Debtor.

UPON SUCH DEFAULT, and at any time thereafter, Secured Party may declare all or any part of the Obligations secured hereby immediately due and payable and, in addition, shall have all of the rights and remedies of a secured party under the New Mexico Uniform Commercial Code. Secured Party shall have the right to enter upon the premises where the Collateral is located in order to take possession or control of the Collateral and may require Debtor to assemble the Collateral and deliver it, or make it available, to Secured Party at any place and time designated by Secured Party which is reasonably convenient to both parties. In taking possession of the Collateral, Secured Party may take possession of all personal property located in or attached to the Collateral without liability to Debtor and may hold or store such personal property for Debtor at Debtor's expense. Secured Party's rights and remedies are cumulative and Secured Party may exercise any such right or remedy without notice or demand to Debtor except as required by law. If notice of disposition of the Collateral is required by law, it shall be sent to any address of Debtor set forth herein and notice sent seven days prior to such disposition shall be deemed to have been sent within a reasonable time. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this security agreement shall not waive or impair any other security Secured Party may have or hereafter acquire for the payment of the Obligations or any of them, nor shall the taking of any additional security waive or impair this security agreement; but Secured Party may resort to any security it may have in the order it may deem proper.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns and all promises and duties of Debtor shall bind its heirs, personal representatives, successors and assigns. If there be more than one Debtor, their liabilities hereunder shall be joint and several.

This agreement shall become effective when it is signed by Debtor.

Secured Party:

ALBUQUERQUE NATIONAL BANK

By *Sam E. Dazzo, Jr.*
Sam E. Dazzo, Jr., Assistant Vice President

Debtor:

Westman Investments

By *John A. Westman*
JOHN A. Westman (TITLE)

