

**1ST AMERICAN**  
FIRST AMERICAN BANK, N.A.

September 5, 1980

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution Ave., NW  
Washington, D.C. 20423

12172

REGISTRATION NO. .... Filed 1426

SEP 8 1980 - 3 50 PM

Date 9/8/80  
Fee \$ 50.00  
108 Washington, D.C.

Dear Ms. Lee:

INTERSTATE COMMERCE COMMISSION

I am forwarding for recordation three original Security Agreements between John F. and Clare T. Utley ("Debtor") who reside at 6008 Mineola Court, Springfield, VA 22152, and First American Bank, N.A. ("Secured Party") whose address is 740 15th Street, N.W., Washington, DC.

These Security Agreements (Chattel Mortgages) apply to one (1) 100-ton truck covered Hopper Railcar manufactured by Marine Industries, Ltd., with identifying marks RRRX 1076, AAR mechanical designation "LO."

These cars are under a management contract with Rex Leasing, Inc. of 616 Palisade Ave., Englewood Cliffs, New Jersey, 07632. In addition to the secured party taking a security interest in the railroad cars, it should be noted that the debtor has assigned to the secured party all payments now or hereafter due the debtor from Rex Leasing, Inc.

I have enclosed our Cashier's Check # 01-97058 for \$50.00 to pay for the recording fee.

Please return the recorded Security Agreement to my attention in the envelope provided.

If you have any questions, please feel free to contact me.

Sincerely,

*Barbara Ann Johnson*  
Barbara Ann Johnson  
Metropolitan Division  
Commercial Loans

Enclosures  
BAJ/klc

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

9/10/80

OFFICE OF THE SECRETARY

Barbara Ann Johnson  
1StAmerican Bank,N.A.  
740 15th Street,N.W.  
Washington, D.C. 20005

Dear Ms. Johnson:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/8/80 at 3:50pm and assigned recordation number(s) 12172

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

SECURITY AGREEMENT  
(Chattel Mortgage)

THIS AGREEMENT, made the 12th day of August 19 80 under the laws of the ~~XXXXXX~~ District of Columbia

BETWEEN John F. Utley and Clare T. Utley  
herein called the Debtor  
whose business address is (if none, write "none") Deloitte, Haskins & Sells, 1101 15th Street, N.W., Washington, D.C. 20005

and whose residence address is 6008 Mineola Court, Springfield, VA 22152

and First American Bank, N.A.

herein called the Secured Party

whose address is 740 15th Street, N.W., Washington, D.C. 20005

12172  
RECORDATION NO. .... Filed 1426

SEP 8 1980 - 3 50 PM

WITNESSETH:

To secure the payment of an indebtedness in the amount of \$ 40,000.00 INTERSTATE COMMERCE COMMISSION

60 monthly payments of \$609.10 principal including interest commencing on September 12, 1980 and continuing thereafter on the 12th of each month. The final payment will be due on August 12, 1985 and will include all remaining principal plus accrued interest. The note will bear an interest rate of one and one half percent (1½%) above the Bank's prime rate, adjusted with any changes in that rate. Interest after maturity (whether by acceleration or otherwise) shall be payable at a rate 3% above the effective rate, at maturity; provided, however, that in no event shall the total FINANCE CHARGE payable exceed the maximum permitted to be charged under applicable law of the District of Columbia.

as evidenced by a note or notes of even date herewith, and also to secure any other indebtedness or liability of the Debtor to the Secured Party direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising including all future advances or loans which may be made at the option of the Secured Party, (all hereinafter called the "obligations") Debtor hereby grants and conveys to the Secured Party a security interest in, and mortgages to the Secured Party,

- (a) the property described in the Schedule herein which the Debtor represents will be used primarily
  - for personal, family or household purposes
  - in farming operations
  - in business or other use

(b) all property, goods and chattels of the same classes as those scheduled, acquired by the Debtor subsequent to the execution of this agreement and prior to its termination

(c) all proceeds thereof, if any,

(d) all increases, substitutions, replacements, additions and accessions thereto (the foregoing (a), (b), (c) and (d) hereinafter called the collateral).

1. DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

- PAYMENT** 1a To pay and perform all of the obligations secured by this agreement according to their terms.
- DEFEND TITLE** 1b To defend the title to the collateral against all persons and against all claims and demands whatsoever, which collateral except for the security interest granted hereby, is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments except as may be set forth in the schedule.
- ASSURANCE OF TITLE** 1c On demand of the secured party to do the following; furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in the collateral and pay all costs of filing in connection therewith.
- POSSESSION** 1d To retain possession of the collateral during the existence of this agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same without the written consent of the Secured Party. **Provided, however,**
- LOCATION** 1e To keep the collateral at the location specified in the schedule and not to remove same (except in the usual course of business for temporary periods) without the prior written consent of the Secured Party.
- LIENS** 1f To keep the collateral free and clear of all liens, charges, encumbrances, taxes and assessments.
- TAXES** 1g To pay, when due, all taxes, assessments and license fees relating to the collateral.
- REPAIRS** 1h To keep the collateral, at Debtor's own cost and expense, in good repair and condition and not to misuse, abuse, waste or allow to deteriorate except for normal wear and tear and to make same available for inspection by the Secured Party at reasonable times.
- INSURANCE** 1i To keep the collateral insured against loss by fire (including extended coverage), theft and other hazards as the Secured Party may require and to obtain collision insurance if applicable. Policies shall be in such form and amounts and with such companies as the Secured Party may designate. Policies shall be obtained from responsible insurers authorized to do business in this state. Certificates of insurance or policies, payable to the respective parties as their interest may appear, shall be deposited with the Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of the Debtor to do so. Debtor shall give immediate written notice to the Secured Party and to insurers of loss or damage to the collateral. Debtor shall promptly file proofs of loss with insurers. Debtor hereby appoints the Secured Party the attorney for the Debtor in retaining, adjusting and cancelling any such insurance and endorsing settlement drafts and hereby assigns to the Secured Party all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the indebtedness.

\*ever, that leases of the collateral negotiated by Rex Leasing, Inc. are hereby consented to by the Secured Party.

LOAN —  
USE OF  
PROCEEDS

1j If this agreement is security for a loan to be used to pay a part or all of the purchase price of the collateral; to use the proceeds of the loan to pay the purchase price, filing fees and insurance premiums. The Secured Party however, may pay the proceeds directly to the seller of the collateral.

CHANGE OF  
ADDRESS

1k To immediately notify the Secured Party in writing of any change in or discontinuance of Debtor's place or places of business and/or residence.

AFFIXED  
TO REALTY

1l That if the collateral has been attached to or is to be attached to real estate, a description of the real estate and the name and address of the record owner is set forth in the schedule herein; if the said collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of the Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the collateral which is prior to Secured Party's interest.

## 2. GENERAL PROVISIONS:

NOTES

2a Notes, if any, executed in connection with this agreement, are separate instruments and may be negotiated by Secured Party without releasing Debtor, the collateral, or any guarantor or co-maker. Debtor consents to any extension of time of payment. If there be more than one Debtor, guarantor or co-maker of this agreement or of notes secured hereby, the obligation of all shall be primary, joint and several.

NON-WAIVER

2b Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by the Debtor of any warranties or agreements in this security agreement, shall not constitute a waiver of any subsequent or other default or failure.

NOTICES

2c Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing.

LAW  
APPLICABLE

2d The Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision or this agreement.

DEFAULT

2e The following shall constitute a default by Debtor:

non-payment

Failure to pay the principal or any installment of principal or of interest on the indebtedness or any notes when due.

violation

Failure by Debtor to comply with or perform any provision of this agreement.

misrepresentation

False or misleading representations or warranties made or given by Debtor in connection with this agreement.

levy

Subjectation of the collateral to levy of execution or other judicial process.

insolvency

Commencement of any insolvency proceeding by or against the Debtor or of any guarantor or of surety for the Debtor's obligations.

death

Death of the Debtor or of any Guarantor or of surety for the Debtor's obligations.

impairment of  
security

Any reduction in the value of the collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligations herein.

REMEDIES ON  
DEFAULT

2f Upon any default of the Debtor and at the option of the Secured Party, the obligations secured by this agreement shall immediately become due and payable in full without notice or demand and the Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the collateral and disposition of the proceeds as are accorded to a Secured Party by the applicable sections of the Uniform Commercial Code respecting "Default", in effect as of the date of this Security Agreement.

acceleration

attorneys' fees  
etc.

Upon any default, the Secured Party's reasonable attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the collateral shall be chargeable to the Debtor.

deficiency

The Debtor shall remain liable for any deficiency resulting from a sale of the collateral and shall pay any such deficiency forthwith on demand.

monies  
advanced

If the Debtor shall default in the performance of any of the provisions of this agreement on the Debtor's part to be performed, Secured Party may perform same for the Debtor's account and any monies expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby.

seizure

In conjunction with, addition to or substitution for those rights, Secured Party, at his discretion, may: (1) enter upon Debtor's premises peaceably by Secured Party's own means or with legal process and take possession of the collateral, or render it unusable, or dispose of the collateral on the Debtor's premises and the Debtor agrees not to resist or interfere; (2) require Debtor to assemble the collateral and make it available to the Secured Party at a place to be designated by the Secured Party, reasonably convenient to both parties (Debtor agrees that the Secured Party's address as set forth above is a place reasonably convenient for such assembling); (3) 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 any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of the Debtor shown above, at least three days before the time of sale or disposition.

assembling  
collateral

notice of  
sale

2g Secured Party may assign this agreement and if assigned the assignee shall be entitled, upon notifying the Debtor, to performance of all of Debtor's obligations and agreements hereunder and the assignee shall be entitled to all of the rights and remedies of the Secured Party hereunder. Debtor will assert no claims or defenses Debtor may have against the Secured Party against the assignee.

FINANCING  
STATEMENT

2h The Secured Party is hereby authorized to file a Financing Statement.

CAPTIONS

2i The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this agreement nor the intent of any provision thereof.

The Debtor covenants and agrees to cause to be plainly, distinctly, permanently and conspicuously marked upon the side of the collateral the following words in letters not less than 1" in height: FIRST AMERICAN BANK OF WASHINGTON, SECURED PARTY. In case, during the continuance of this Security Agreement, any such marking on the collateral shall at any time be painted over or otherwise be made inconspicuous, removed, defaced or destroyed, the Debtor shall immediately cause the same to be restored or replaced.

The Debtor covenants and agrees that it will cause this Security Agreement and all amendments, supplements and assignments hereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, at Debtor's sole cost and expense.

In the event that the collateral shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Debtor or the Secured Party, irreparably damaged, from any cause whatsoever, or taken or requisitioned by the condemnation or otherwise resulting in loss of use for a period of 60 days (such occurrences being hereinafter called Casualty Occurrences), the Debtor shall promptly and fully notify the Secured Party with respect thereto. In the event of a Casualty Occurrence, the obligations secured by this agreement shall, at the option of the Secured Party, immediately become due and payable in full without notice or demand.

The provisions of this agreement and all the rights and obligations of the parties hereunder shall be governed by the laws of the District of Columbia.

2n The Debtor covenants and agrees to supply the Secured Party with current financial statements of Debtor, including income and net worth information, annually during the term of this agreement. Failure of the Debtor to make such statements available shall constitute a default hereunder.

2o The Debtor hereby assigns to the Secured Party, as additional collateral for the obligations secured hereby, all payments now or hereafter due Debtor from Rex Leasing, Inc., provided, however, that until there be a default hereunder, the Debtor may collect and enjoy such payment without accountability to the Secured Party, provided that such payments are collected not more than thirty (30) days in advance of when they are legally due and payable.

2p The Debtor agrees to use his best efforts to assure that the collateral is operated in full compliance with all applicable government and industry rules, regulations, and laws.

2r The Debtor agrees to supply the Secured Party with copies of all management and accounting reports received by Debtor covering the operation of the collateral.

2s The Debtor agrees to not allow the collateral to be removed from the continental United States, except for Canada, without the prior written consent of the Secured Party.

2t The Debtor, upon the request of the Secured Party, will annually execute a Certificate of Compliance, stating that to the best of Debtor's knowledge, he is in compliance with all the terms and conditions of this Security Agreement, except for any enumerated deficiencies.

# Security Agreement (Chattel Mortgage)

to

Dated, \_\_\_\_\_ 19 \_\_\_\_\_

The undersigned, being the owner, mortgagee, landlord and/or lessor of the Debtor's premises, and knowing that the Secured Party relies hereon, does hereby waive, relinquish and release to the Secured Party or any holder of the security agreement all right of levy or distraint for rent and all other claims and demands of every kind which the undersigned has or may have against the collateral, this waiver to continue until termination of the security agreement.

### WAIVER BY LANDLORD AND/OR OTHERS

WITNESS the hand and seal of the undersigned this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

The undersigned guarantees prompt and full performance and payment according to the tenor of the within agreement, to the holder hereof, and, in the event of default, authorizes any holder hereof to proceed against the undersigned, for the full amount due including reasonable attorney's fees, and hereby waives presentment, demand, protest, notice of protest, notice of dishonor and any and all other notices or demand of whatever character to which the undersigned might otherwise be entitled. The undersigned further consents to any extension granted by any holder and waives notice thereof. If more than one grantor, obligation of each shall be joint and several.

### GUARANTY

WITNESS the hand and seal of the undersigned this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

(L.S.)

Residence.....

Business Address.....

Print Name.....

To perfect lien, file UCC 1 (see UCC §9-401)  
**N. Y.: CONSUMER GOODS OR FARM CONNECTED COLLATERAL:**  
 —resident debtor; with filing officer in county of debtor's residence.  
 —non resident debtor: Dept. of state: if debtor has a place of business in only one county in N. Y., also with filing officer of such county.  
 —crops: Dept. of state and also with filing officer in county where land, on which crops are grown, lies.  
**FIXTURES** attached to realty; in county where land lies.  
**ALL OTHER CASES:** Dept. of state: if debtor has a place of business in only one county in N. Y., also with filing officer in such county.  
 'filing officer': in N.Y.C., the City Register of the county; elsewhere in state, the county clerk.

**N. J.: CONSUMER GOODS OR FARM CONNECTED COLLATERAL:**  
 —with clerk of county of debtor's residence.  
 —if non-resident debtor, in county where goods are kept.  
 —crops: in county where land lies.  
**FIXTURES** attached to realty; with register of county where land lies or with county clerk if no register.  
**ALL OTHER COLLATERAL;** with secretary of state.

**CONN.:** **FIXTURES** attached to realty; with clerk of town or city where land lies.  
**ALL OTHER COLLATERAL;** with secretary of state.

The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective party hereto, and their respective legal representatives, successors and assigns.

The gender and number used in this agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

This agreement may not be changed orally.

IN WITNESS WHEREOF, the Parties have respectively signed and sealed these presents the day and year first above written.



*John F. Utley*  
John F. Utley  
*Clare T. Utley*  
Clare T. Utley

Signed and sworn before me this 12th day of August, 1980

*Martha W. Shearer*  
Notary

My Commission Expires July 31, 1985

SCHEDULE

Describe items of collateral, the address where each item will be located and describe any prior liens, etc., and the amounts due thereon. If items are crops or goods affixed or to be affixed to real estate describe the real estate and state the name and address of the owner of record thereof.

Items

Location, etc.

One 100-ton truck covered Hopper Railcar with identifying marks RRRX 1076, AAR mechanical designation "LO," manufactured by Marine Industries, Ltd.

Leases arranged by Rex Leasing, Inc. of 616 Palisade Ave., Englewood Cliffs, New Jersey, 07632.

The chief place of business of the Debtor, if other than stated in this agreement, is: