



# Heritage Pullman Bank

1000 East 111th Street, Chicago, Ill. 60628  
Member F.D.I.C., Call (312) 785-1000

RECORDATION NO 16226 FILED 1428

9-068A013

MAR 3 1989 -11 05 AM

Date 3/3/89  
Fee \$13.00

INTERSTATE COMMERCE COMMISSION

Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

ICC Washington, D.C.

February 24, 1989

Dear Secretary:

I have enclosed an original and one 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 Security Agreement (Equipment), a primary document, dated February 24, 1989.

The names and addresses of the parties to the document are as follows:

Chicago, West Pullman & Southern Railroad Co.  
("Debtor" and assignor)  
2758 E. 104th St.  
Chicago, Il. 60617

Heritage Pullman Bank and Trust Company  
("Bank" and assignee)  
1000 E. 111th St.  
Chicago, Il. 60628

A description of the equipment covered by the document follows:

One (1) Electro-Motive Division, general purpose model 18 locomotive, Serial No. 25456, with insignia "CRL 14," built in 1960 (former Rock Island unit 1339); and

One (1) Electro-Motive Division, general purpose model 18 locomotive, Serial No. 26935, with insignia "CRL 15," built in 1961 (former Rock Island unit 1346).

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for the recordation to:

Heritage Pullman Bank and Trust Company  
1000 E. 111th St.  
Chicago, Il. 60628  
Attn: Donald Krueger, V.P.

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

Security Agreement (Equipment) between Chicago, West Pullman & Southern Railroad Co., 2758 E. 104th St., Chicago, Il. 60617 (debtor) and Heritage Pullman Bank and Trust Company, 1000 E. 111th St., Chicago, Il. 60628 (bank), dated February 24, 1989, and covering two (2) Electro-Motive Division locomotives, model GP 18, Serial Nos. 25456 and 26935.

Very Truly Yours,

Heritage Pullman Bank and  
Trust Company

by

A handwritten signature in black ink, appearing to read 'Donald Krueger', is written over a horizontal line. To the right of the signature is a large handwritten number '3'.

Donald Krueger  
Vice President

# Interstate Commerce Commission

Washington, D.C. 20423

3/10/89

OFFICE OF THE SECRETARY

Heritage Pullman Bank & Trust Company

1000 E. 111th St.

Chicago, Illinois 60628

Attn: Donald Krueger VP

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 3/3/89 at 11:05am, and assigned recordation number(s). 16226

Sincerely yours,



Secretary

Enclosure(s)

MAR 3 1989 -11 05 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT  
(Equipment)

This Agreement is made this 24th day of February, 19 89, between **HERITAGE PULLMAN BANK AND TRUST COMPANY** ("Bank") and Chicago, West Pullman & Southern Railroad Co. ("Debtor").

**WHEREAS**, the Debtor has requested or may from time to time in the future request loans or advances from the Bank;  
**WHEREAS**, the Bank has agreed to extend credit to Debtor under certain terms and conditions set forth in a note dated February 24, 19 89 ("Promissory Note"); and

**WHEREAS**, this Agreement is made in consideration of and as security for any loan or extension of credit contemporaneously or hereafter made to the Debtor by Bank; now

**THEREFORE**, the parties agree as follows:

**I. OBLIGATION**

The security interest under this Agreement secures the payment of all obligations of Debtor to Bank under the Promissory Note, any other note, all obligations of Debtor designated as a Liability hereunder and all other obligations of Debtor to Bank howsoever created or arising now existing or hereafter created or arising between Bank and the Debtor ("Liabilities"). The Bank has all the rights with respect to the Collateral (defined below) as set forth in this Agreement.

**II. GRANT OF SECURITY INTEREST**

As security for the Liabilities the Debtor hereby assigns to Bank and grants to Bank a continuing security interest in the following and all additions, attachments and accessions thereto and replacements thereof and all proceeds therefrom including insurance proceeds ("Collateral"):

See Exhibit "A"

**III. WARRANTIES OF DEBTOR**

3.01 If the Debtor is a corporation, it is duly organized and existing under the laws of Illinois and is duly qualified and in good standing in every other state in which it is doing business.

3.02 If the Debtor is a corporation, the execution, delivery and performance hereof are within the Debtor's corporate powers, have been duly authorized, and are not in contravention of law or the terms of the Debtor's charter, by-laws or other incorporation papers, or of any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound.

3.03 No financing statement with respect to any of the Collateral other than the one filed on behalf of the Bank is on file in any public office.

3.04 Except as disclosed to the Bank, Debtor utilizes no tradenames, has not changed its name, been the surviving entity in a merger, or acquired any business.

3.05 Debtor is the lawful owner of the Collateral hereunder, free of all liens and claims with full power and authority to execute this Agreement and perform all of the Debtor's obligations hereunder.

3.06 The Collateral is not and shall not be attached to any real estate.

3.07 The Collateral is not a fixture under any mortgage, lease, or indenture.

**IV. AGREEMENTS OF DEBTOR**

Debtor agrees as follows:

4.01 To perform all the acts requested by the Bank which the Bank deems necessary to maintain a valid, perfected security interest in the Collateral including, but not limited to, executing such financing statements and documents as the Bank shall request. All payments for the filing of records of said statements or documents in all public offices designated by the Bank shall be a Liability hereunder.

4.02 Neither to sell the Collateral nor to sell, assign, create, or permit to exist a security interest or lien in the Collateral to or in favor of anyone other than the Bank.

4.03 To reimburse the Bank for all expenses (including reasonable attorneys' fees) incurred by the Bank in seeking to collect or enforce any rights in any Collateral or any other right under this Agreement. All such expenses shall be a Liability hereunder.

4.04 To keep the Collateral at Debtor's Address and at no other address without the written consent of the Bank.

4.05 To procure and maintain at its own cost and expense insurance covering the Collateral at its full insurable value at all times against any loss or damage by fire, theft, explosion, sprinklers, and all other hazards ordinarily insured against by other owners or users of such property or similar business in an amount and form acceptable to the Bank. The insurance policies shall be endorsed to make the same payable to the Bank. If any insurance losses be paid by check, draft or other instrument payable to Debtor or to Debtor and the Bank jointly, the Bank is appointed attorney in fact for Debtor with power to indorse the name of Debtor thereon and do such other things as the Bank may deem desirable in order to reduce the same to cash. All loss recoveries received by the Bank upon any such insurance may be applied and credited by the Bank at its discretion to the Liabilities. The policies shall provide that the insurance company will give the Bank at least 30 days written notice before any such policy shall be altered or cancelled. In the event of termination of or failure to provide this insurance the Bank may, at its option, provide such insurance and charge all payments therefore as a Liability hereunder.

4.06 Not to change its name or principal place of business except upon thirty days prior written notice to the Bank.

4.07 To keep the Collateral in good order and repair and prevent waste or destruction of the Collateral or any part thereof. Debtor will not use or permit anyone to use the Collateral in violation of any statute, ordinance, state or federal regulation.

4.08 To permit the Bank to examine and inspect the Collateral at any time.

4.09 To pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

EXHIBIT "A"

One (1) Electro-Motive Division, general purpose model 18 locomotive, Serial No. 25456, with insignia "CRL 14," built in 1960 (former Rock Island unit 1339); and

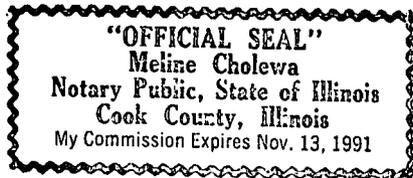
One (1) Electro-Motive Division, general purpose model 18 locomotive, Serial No. 26935, with insignia "CRL 15," built in 1961 (former Rock Island unit 1346).

State of Illinois

County of Cook, ss:

On this 24th day of February, 1989, before me personally appeared Donald Krueger, to me personally known, who being by me duly sworn, says that he is the Vice President of Heritage Pullman Bank and Trust Company, 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]



Meline Cholewa  
Signature of notary public

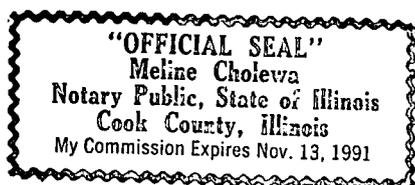
My Commission expires Nov. 13, 1991

State of Illinois

County of Cook, ss:

On this 24th day of February, 1989, before me personally appeared Robert E. Smith and Lawrence J. Looby, to me personally known, who being by me duly sworn, say that they are the President and Secretary, respectively, of Chicago, West Pullman & Southern Railroad Co., 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]



*Meline Choleva*

Signature of notary public

My Commission expires Nov. 13, 1991