

AmeriTrust of Portage County
Kent Office
115 South Water Street
Kent, Ohio 44240
(216) 678-0441

RECORDATION NO. 12444 Filed 1426

NOV 26 1980 - 1 50 PM
INTERSTATE COMMERCE COMMISSION

0-331A065

No.
Date NOV 26 1980

Fee \$ 50.00

ICC Washington, D. C.

AmeriTrust

October 10, 1980

Interstate Commerce Commission
Room 2303
12th & Constitutional Avenue, N.W.
Washington, D.C. 20423

Attention Mildred Lee

RE: Security Agreement from Rails Diversified of Ohio, Inc. to AmeriTrust Company of Portage County

Nov 26 1 48 PM '80
FOL-BRANCH

Dear Ms. Lee:

Enclosed for recording is an original copy of a Security Agreement and two counterparts. Also enclosed is a check in the amount of \$50.00 in payment of the recordation fee.

The debtor granting the security interest is:

RAILS DIVERSIFIED OF OHIO, INC.
1833 W. Arndale Road
Stow, Ohio 44224

The Secured Party is:

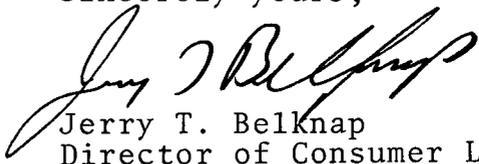
AMERITRUST COMPANY OF PORTAGE COUNTY
115 South Water Street
Kent, Ohio 44240

The equipment covered by the Security Agreement is:

Steam locomotive (Ex-Reading) Class T-1 (1945) bearing identifying number 2102, plus tender and all appurtenances thereto including but not limited to the number board, steam gauge, headlight, and the original whistle.

The undersigned personally has knowledge of the facts set forth herein. Please return the original document to the undersigned at the address shown above.

Sincerely yours,


Jerry T. Belknap
Director of Consumer Lending

jf

Interstate Commerce Commission
Washington, D.C. 20423

11/28/80

OFFICE OF THE SECRETARY

Jerry T. Belknap
Amen Trust Company of Portage County
115 South West Street
Kent, Ohio 44240

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 **11/26/80** at **1:50pm**, and assigned recordation number (s) **12444**.

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure (s)

SE-30
(7/79)

NOV 26 1980 - 1 50 PM

INTERSTATE COMMERCE COMMISSION

1. The undersigned request ALLTRUST COMPANY OF PORTAGE COUNTY (herein called "Bank") to make a loan to be evidenced by a note being of even date herewith and payable to the order of Bank in the sum of Twenty-one Thousand and 00/100 Dollars (\$21,000.00). Owner (as hereinafter defined) being a maker or guarantor of payment of that note, and this security agreement is being executed and delivered in consideration thereof and for other valuable considerations.

2. As used herein (a) "Owner" means RAILS DIVERSIFIED OF OHIO, INC.; (b) "debt" means, collectively, every liability now or hereafter owing to Bank by the undersigned (or by any or all of the undersigned, if there be more than one undersigned), whether such liability be owing by only one person or entity or by two or more (whether or not undersigned) in a several, joint or joint and several capacity, whether owing absolutely or contingently, whether created by note, overdraft, guaranty or payment or other contract or by quasi-contract, tort, statute or other operation of law, whether incurred directly to Bank or acquired by Bank by purchase, pledge or otherwise, and whether participated to or from Bank in whole or in part; (c) "collateral" means the following:

Steam locomotive (Ex-Reading) Class T-1 (1945) bearing identifying number 2102, plus tender and all appurtenances thereto including but not limited to the number board, steam gauge, headlight, and the original whistle.

and each part, accessory, attachment, addition or other kind of chattel property now or hereafter installed in, affixed to or otherwise used in connection with the items so described or referred to and each replacement for the foregoing or any thereof.

The undersigned represents and warrants to Bank as follows:

- 3.1. This security agreement (DESIGNATE WHICH of the following applies):
 - confers a purchase money security interest upon Bank as the aforesaid loan proceeds are being used to purchase the collateral.
 - does not confer a purchase money security interest upon Bank as the aforesaid loan proceeds are not being used to purchase the collateral.
- 3.2. The collateral is used, or is being purchased for use, primarily (DESIGNATE WHICH of the following applies):
 - for the Owner's personal, family or household purposes.
 - in Owner's business, other than the business of farming or leasing.
 - in Owner's farming operations, the purchase price paid for the collateral by Owner being \$ _____.
- 3.3. The address set forth opposite the signature(s) of the undersigned, below, is the address (DESIGNATE WHICH of the following applies):
 - of Owner's residence or only place of business.
 - of Owner's principal place of business, and Owner has places of business in TWO county or counties in Ohio.
- 3.4. Owner keeps the collateral, or intends upon purchase thereof to keep it, (DESIGNATE WHICH of the following applies):
 - at the place of Owner's aforesaid address.
 - at _____.
- 3.5. Owner is for upon disbursement of the aforesaid loan proceeds will become the sole and absolute owner of the collateral, free from ~~any~~ outstanding title, security interest, financing statement, lien or other claim of any kind other than this security agreement and any financing statement naming only Bank as secured party.
- 4. Owner agrees that Bank shall at all times have, and hereby grants to Bank, a security interest in the collateral as security for the debt.

West Oak Kent, Ohio & Monongahela Railroad Yard, Fayette County
at _____ Brownsville, Pa.

5 Owner shall give Bank ten days' prior written notice (which notice shall include the new address in question) in each case before (a) changing Owner's residence or Owner's principal or only place of business (as the case may be) or (b) moving, or permitting or suffering any one else to move, the collateral or any thereof from the place referred to in subsection 3.4 hereof except only in the case of motor vehicles, airplanes, boats and similar mobile goods and in the case of any temporary removal for vacation or other temporary purposes. (See section 6 hereof for additional restrictions on the removal of collateral.)

6 Owner will not, without first obtaining Bank's written consent, (a) affix or incorporate the collateral or any part thereof to or into any realty in any manner, (b) at any time grant any security interest in or incur any lien of any kind on the collateral or any thereof other than the security interest created hereby and any artisan's lien not in default in any manner, (c) lease, sell or otherwise dispose of the collateral or any thereof, (d) abandon, conceal, injure or destroy the collateral or any thereof or deface any identifying mark thereon, (e) use the collateral or any thereof in violation of any law, or (f) move, or suffer or permit any one else to move, the collateral or any thereof from Ohio (or such other state, if any, as is referred to in subsection 3.4 hereof) except only in the case of a temporary removal for vacation or other temporary purposes.

7 Owner shall (a) maintain the collateral in as good condition and repair as it now is (reasonable wear excepted), all at no cost or expense to Bank, (b) promptly pay every tax or assessment imposed on the collateral or any thereof, the use thereof, the debt or any part thereof or this security agreement, (c) satisfy any lien that may be impressed upon the collateral or any thereof before such lien or any indebtedness secured thereby becomes in default in any manner, (d) keep the collateral insured at all times, in such amounts, by such policies, by such insurers and against such losses and hazards as Bank may from time to time reasonably require, all at no cost or expense to Bank, each of which insurance policies shall include a loss payable clause (in form satisfactory to Bank) in favor of Bank as its interest may appear, (e) maintain each said insurance policy on deposit at Bank and to deliver to Bank, in each case not less than ten days prior to the last day for making payment without penalty, a receipt for the payment of each premium thereon, (f) forthwith upon each request of Bank, execute and deliver such financing statements, affidavits and other writings, furnish such certificates of title and such other documents and instruments and make and do all such further and other acts and things, all at no cost or expense to Bank, as Bank may from time to time deem necessary or desirable for the better perfection or validity of Bank's security interest in the collateral, (g) promptly upon each request of Bank, pay all costs and expenses of perfecting the security interest herein created, pay the cost of any title search or credit investigation deemed necessary by Bank in respect of the collateral and the debt and to pay all other claims and charges which in Bank's opinion might prejudice, imperil or otherwise adversely affect the collateral or any thereof or the security interest hereby granted to Bank, and (h) defend, indemnify and save Bank harmless from and against every out-of-pocket cost, expense, loss or liability (as the case may be), if any, incurred by Bank by reason of this security agreement.

8 If Owner shall fail or omit to perform any obligation imposed upon Owner by this security agreement, by any other writing binding upon Owner or by operation of law, Bank shall have the right (but not the duty) to perform such obligation for and on behalf of Owner and at Owner's cost and expense, in which event each payment made by Bank in performing any said obligation shall, together with interest thereon at the rate of 8% per annum, constitute a part of the debt and shall be secured by the collateral pursuant to this security agreement.

9 If the debt or any part thereof shall not be paid in full immediately when due and payable, whether by lapse of time or acceleration or otherwise, or if Bank shall for any reason deem the debt or any part thereof to be insecure—Owner shall, forthwith upon Bank's demand, assemble the collateral (if so required by Bank) and deliver the collateral to Bank and Bank may, with or without notice to or demand upon Owner and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where the collateral or any thereof may be found and to take possession thereof (including anything found in or on the collateral or any thereof that is not specifically described in this security agreement, each of which findings shall be considered to be an accession to and a part of the collateral) and for that purpose may pursue the collateral wherever the same may be found, without liability for trespass or damage caused thereby to Owner. Owner shall give Bank written notice within twenty-four hours after any such delivery or taking of possession if any collateral so taken or delivered includes in or on the same any item not specifically described in this security agreement.

10 After any delivery or taking of possession of the collateral or any thereof pursuant to section 9 hereof, then, with or without resort to Owner personally or any other person or property, all of which Owner hereby waives, and upon such terms and in such manner as Bank may deem advisable, Bank in its discretion may sell, assign, transfer and deliver the collateral at any time or, from time to time, any part thereof. No prior notice need be given to Owner or to anyone else in the case of any sale of collateral which Bank in good faith determines to be perishable or to be declining speedily in value or which is customarily sold in any recognized market, but in any other case Bank shall give Owner not less than ten days' prior notice of either the date after which any intended private sale is to be made or the time and place of any intended public sale. Owner waives advertisement of any said sale and (except only to the extent notice is specifically required by the next preceding sentence) waives notice of any kind in respect of any said sale. At any said public sale Bank may purchase the collateral or any part thereof free from any right of redemption, all of which rights Owner hereby waives and releases. After deducting all proper and reasonable costs, attorney's fees and other expenses incurred in the premises (including, without limitation, all cost and expenses incurred in pursuing, searching for, taking, repairing, keeping, storing and selling the collateral or any part thereof) and after paying all claims (if any) secured by liens having precedence over this security agreement, Bank may apply the net proceeds of each such sale to or toward the payment of the debt (whether or not then due) in such order and by such division as Bank in its sole discretion may deem advisable.

11 Each right, power or privilege specified or referred to in section 10 or elsewhere in this security agreement is cumulative and in addition to and not in limitation of any other rights, powers and privileges that Bank may otherwise have or acquire by operation of law, by contract or otherwise. No course of dealing by Bank in respect of, nor any omission or delay by Bank in the exercise of, any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege, as Bank may exercise each such right, power or privilege either independently or concurrently with others and as often and in such order as Bank may deem expedient. No waiver, consent or other agreement shall be deemed to have been granted by Bank pursuant to this security agreement or the note or be binding upon Bank unless specifically granted in writing, and each such writing shall be strictly construed. No notice required or permitted to be given to Bank hereunder shall be deemed to have been given unless delivered in writing to Bank's branch office (if any) referred to in the note or to the loans and securities department or the personal loan and finance department at Bank's main office. If there be more than one undersigned, each representation, warranty, agreement or other undertaking herein is a joint and several obligation of each of the undersigned, and each of the undersigned is and shall be the agent, fully authorized in the premises, of all of the undersigned in receiving any notice or demand from Bank, in receipting for the collateral or any thereof and in giving Bank instructions in respect of the collateral or any thereof. Bank is hereby authorized at any time in its discretion to make an appropriate insertion in any blank in this security agreement if Owner fails to do so and, further, to correct any patent error in this security agreement so that it will properly evidence the agreement of the parties. This security agreement shall be binding upon Owner and Owner's successors, heirs, executors, administrators and assigns and shall inure to the benefit of, be enforceable and exercisable by, and be binding upon Bank and its successors and assigns. This security agreement and the rights and all obligations hereunder shall be construed in accordance with the laws of Ohio. The entire agreement between the parties as to the collateral has been reduced to writing, and no oral agreement (if any) shall be binding.

Signed at KENT Ohio, this 11 day of October, 1980.

Address: 1833 W ARNDALE RD
Street Address
STOW OHIO 44224
Municipality, County and State

RAILS DIVERSIFIED OF OHIO, INC.
By: Thomas H. Jones
President

and _____

STATE OF OHIO)
) SS.
COUNTY OF)

On this 11 day of October, 1980, before me personally appeared Thomas G. Jones, to me personally known, who being by me duly sworn, says that he is the President of Rails Diversified of Ohio, 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]
My Commission Expires June 10, 1981
Notary Public
Portage County, Ohio

Jerry T. Belknap
Notary Public

My commission expires

Jerry T. Belknap, Notary Public
Portage County, Ohio
My Commission Expires June 10, 1981

STATE OF OHIO)
) SS.
COUNTY OF)

On this _____ day of September, 1980, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Rails Diversified of Ohio, 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]

Notary Public

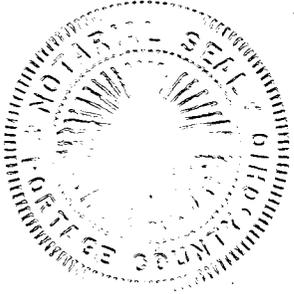
My commission expires

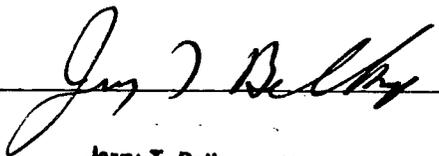
CERTIFICATE

I hereby certify that I have personally examined the attached copy of a security agreement dated October 11, 1980

(the "Agreement")

and the original executed Agreement and that such attached copy is a true and correct copy in all respects.





Jerry T. Belknap, Notary Public
Portage County, Ohio
My Commission Expires June 10, 1981