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RECORDATION NO. _____ FROM 1988

APR 4 1988 - 2 55 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. _____ FILED 1988
APR 4 1988 - 2 55 PM
INTERSTATE COMMERCE COMMISSION

March 30, 1988

Date 4/4/88
Fee \$ 13.00
ICC Washington, D. C.

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, DC 20423

Attn: Mildred Lee
Room 2303

Dear Ms. Lee:

Enclosed is an original security agreement and promissory note and a true copy of the original security agreement and promissory note between Jack Neubaum, 3370 Sky Way, Williamston, Michigan 48895 as debtor and Republic Bank - Central, 105 W. Middle Street, P.O. Box 93, Williamston, Michigan 48895 as lender. We are taking a security interest in Railroad Car (Rolling Stock) Lot 6944, Serial 6944 and accessories. Our telephone number is (517) 655-4371.

Please record these documents and return the original to us for our files. Enclosed is a \$13.00 recording fee. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Larry Kruger
Executive Vice President
and Chief Lending Officer

LK/rs
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

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OFFICE OF THE SECRETARY

4/5/88

Larry Kruger
Republic BankCentral
105 West Middle Street
Williamston, Michigan 48895-0093

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 4/4/88 at 2:55pm, and assigned recordation number(s). 15562

Sincerely yours,

Neta R. McEwen

Secretary

Enclosure(s)

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

4/25/88

Larry Kruger
Republic Bank
105 West Middle St
Williamston, Michigan 48895- 0093

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 4/4/88 at 2:55pm, and assigned recordation number(s). 15562

Sincerely yours,

Narita L. McLee

Secretary

Enclosure(s)

SECURITY AGREEMENT
(Note Separate - Equipment)

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APR 4 1988 2:53 PM

FOR VALUE RECEIVED, Jack Neubaum INTERSTATE COMMERCE COMMISSION referred to as "Debtor", hereby grant(s) to REPUBLIC BANK - CENTRAL, a Michigan banking corporation of 105 W. Middle Street, Williamston, Michigan, hereinafter referred to as "Bank", a continuing security interest in all equipment, wherever located, now owned and hereafter acquired by Debtor, and all proceeds thereof, hereinafter collectively referred to as the "Collateral". The term "equipment" includes, but is not limited to, machinery, furniture, fixtures, vehicles, and accessories, parts, special tools, and equipment now or hereafter affixed to or used in connection with equipment, and all goods described in any schedule or list attached hereto.

This security interest is made and given for the purpose of securing payment and performance of ALL OBLIGATIONS AND INDEBTEDNESS OF DEBTOR NOW AND HEREAFTER OWING TO BANK, including, but not limited to, all future advances and all obligations and indebtedness of Debtor to Bank under this agreement and under all other security agreements, loan agreements, pledge agreements, assignments, mortgages, guaranties, notes, leases, and other agreements, instruments, and documents, heretofore or hereafter executed by Debtor, whether such indebtedness or obligations be direct or indirect, absolute or contingent, primary or secondary, or related or unrelated to the Collateral or Debtor's acquisition or financing thereof, and any and all partial or full extensions or renewals of such indebtedness and obligations, all of the foregoing being hereinafter collectively called the "Indebtedness". Debtor and Bank agree that the indebtedness and obligations now owing from Debtor to Bank include, BUT ARE NOT NECESSARILY LIMITED TO, the obligations and indebtedness represented by the following instrument(s), document(s), or agreement(s), which has/have been executed by Debtor unless otherwise specified under the heading "Maker":

Instrument, Document or Agreement	Date	Amount	Maker
Promissory Note	March 24, 1988	\$20,000.00	

Additional provisions: _____

DEBTOR AND BANK AGREE THAT THE ADDITIONAL PROVISIONS PRINTED ON THE REVERSE SIDE HEREOF ARE A PART OF THIS SECURITY AGREEMENT AND ARE INCORPORATED HEREIN BY REFERENCE.

If Debtor is more than one person, their obligations hereunder shall be joint and several. This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, assigns and personal representatives.

Executed this 24th day of March, 19 88. Jack Neubaum

REPUBLIC BANK - CENTRAL
By Larry Kruger
Its Exec. V.P., Senior Loan Officer

(Type name of corporation or of partnership or, if d/b/a, of individual(s))
DEBTOR

3370 Sky Way
Williamston, MI 48895
(Address of Debtor)

Subscribed to and sworn before me on this 24th day of March, 1988 that this is a true and correct document.

Raella M. Starcken
Raella M. Starcken, Notary Public
Ingham County, Michigan
My commission expires August 14, 1991

By Jack Neubaum
Jack Neubaum
Its _____

By _____
Its _____

By _____
Its _____

1. If at any time Bank in good faith believes that the prospect of payment or performance of any of the indebtedness is impaired by a decline in value, or destruction of, or damage to, the Collateral, Bank may require Debtor to furnish such additional security as Bank deems sufficient, and Debtor shall have the obligation to do so.
2. Debtor warrants and agrees that all financial statements and other information heretofore or hereafter furnished by Debtor to Bank are and shall be in all respects true and correct and shall be deemed for all purposes to have been given to obtain credit or an extension of credit, that the owner of the Collateral, that none of the Collateral has been assigned or transferred for any purpose whatsoever, that there is no other lien, security interest, or encumbrance on any of the Collateral, that no financing statement is now on file in any public office covering any of the Collateral, except in favor of Bank, that Debtor will not execute or file any other financing statement covering any of the Collateral, except in favor of the Bank, and that notwithstanding that, Bank is granted a security interest in the proceeds of the Collateral, Debtor shall not sell, assign or transfer any of the Collateral or cause or permit any other lien, security interest, or encumbrance to be placed on any of the Collateral, and Debtor will defend the Collateral and proceeds against all claims of any persons asserting an interest therein contrary to the terms of this Agreement.
3. Debtor, at Debtor's expense, shall execute, file, record, re-record, or procure from third persons any financing statements, continuation statements, certificates, agreements, or other documents deemed necessary by Bank to perfect, to continue perfection of, or to protect against the rights and interests of third persons, the security interest in the Collateral granted to Bank hereunder.
4. Debtor agrees to maintain the Collateral in good condition and repair, and to cause the Collateral to be insured, with companies satisfactory to the Bank, against such risks of damage and in such amounts as required by Bank, with loss payable to Bank, as its interest shall appear at the time of such loss, and shall cause such insurance policies to be delivered to Bank. Debtor agrees that Bank may act as agent for Debtor in obtaining, adjusting, setting and canceling such insurance and endorsing any draft.
5. Debtor agrees to pay promptly when due all taxes and assessments upon the Collateral or for its use or operation. Debtor shall not use the Collateral unlawfully or improperly.
6. At its option, Bank may discharge taxes, liens, security interests, or other encumbrances at any time levied or placed upon the Collateral, may pay for the maintenance and preservation of the Collateral, may procure and/or pay for insurance on the Collateral, and may perform or cause to be performed for and in behalf of Debtor any obligations of Debtor hereunder which Debtor has failed or refused to perform. Debtor shall reimburse Bank upon demand for all payments made and all expenses incurred by Bank pursuant to this paragraph, and all such payments and expenses, until so reimbursed, shall become part of the indebtedness and shall bear interest, from the date paid or incurred by Bank, at the highest non-usurious rate to which Debtor could lawfully agree in writing.
7. The Collateral, except for vehicles being operated in the ordinary course of business, at all times shall be kept at its present location or locations or at such other locations as may be consented to by the Bank in writing.
8. Debtor warrants that its principal place of business is at the address appearing on the first page hereof. Debtor agrees to maintain all records concerning the Collateral and any proceeds thereof at such address, or at such other address as may be consented to by the Bank in writing, in such manner as will enable Bank at any time to determine the status of the Collateral. Debtor agrees to make reports to Bank at such times and in such form as Bank shall designate containing such information with respect to the Collateral as Bank may reasonably require, and Bank may at all reasonable times inspect the Collateral and Debtor's books and records in connection therewith.
9. Immediately upon receipt of notice that any part of the Collateral or any proceeds thereof has been subjected to a writ of attachment, garnishment, execution, or other legal process, Debtor shall notify Bank of such fact.
10. If Bank has been advised that any of the Collateral is being acquired with any proceeds of the indebtedness secured hereby, Bank is authorized to disburse said proceeds directly to the seller of the Collateral.
11. Notwithstanding that the definition of Collateral on the first page hereof includes any fixtures which may be owned or hereafter acquired by Debtor, it is the express understanding and intention of Debtor and Bank that none of the assets presently owned or to be acquired by Debtor constitutes or will constitute a fixture, and the inclusion on any financing statement executed by Debtor and Bank of a description of any real estate upon which the Collateral is or may be located shall not indicate a contrary understanding or intention.
12. Any part or all of the indebtedness shall, at the option of the Bank, become immediately due and payable without notice or demand upon the occurrence of any of the following events of default:
- If Debtor shall default in the payment of the principal of or interest on any indebtedness now or hereafter owing by Debtor to Bank, when and as the same shall become due and payable, whether by acceleration or otherwise, or if Debtor shall default in the due performance or observance of any other obligation of Debtor to Bank, including, but not limited to, any covenant, agreement, condition, or obligation to be performed or observed by Debtor under the provisions of this Agreement or the provisions of any other security agreement, pledge agreement, loan agreement, assignment, mortgage, guaranty, note, lease, or other agreement, instrument, or document, heretofore or hereafter executed by Debtor.
 - If Debtor shall default in the payment of the principal of or interest on any indebtedness owed by Debtor to any person other than Bank.
 - If any warranty or representation made herein shall be false or inaccurate in any material respect when made.
 - If Debtor, (or, if Debtor is more than one person, any of such persons) shall die, dissolve, become insolvent, make an assignment for the benefit of its creditors, or if a voluntary or involuntary proceeding in bankruptcy, receivership, or insolvency is instituted by or against Debtor (or, if Debtor is more than one person, by or against any of such persons).
 - If at any time Bank in good faith believes that the prospect of payment or performance of any part or all of the indebtedness is impaired.
13. Bank shall have all the rights and remedies provided for herein and all of the rights and remedies of a secured party under the Michigan Uniform Commercial Code and any other applicable laws. In addition thereto, upon the occurrence of an event of default, the Bank may require Debtor to assemble the Collateral and any proceeds thereof and deliver them to Bank at a place to be designated by Bank which is reasonably convenient to both parties. All rights and remedies of Bank shall be cumulative and may be exercised from time to time. Bank may dispose of the Collateral and proceeds in any commercially reasonable manner, and Debtor shall be liable for any deficiency. Any notice required to be given by Bank to Debtor with respect to the sale or other disposition of the Collateral shall be deemed reasonable if mailed, in the manner set forth below, at least five days before the time of such sale or other disposition. Bank may apply the proceeds of any sale or other disposition of the Collateral and any proceeds thereof to the full or partial satisfaction of the indebtedness and obligations secured hereby, including any contingent obligations, in such manner and in such amounts and proportions as Bank in its sole discretion shall determine.
14. Debtor agrees to pay Bank on demand any and all expenses, including reasonable attorneys' fees and legal expenses, paid or incurred by Bank in protecting and enforcing the rights of and obligations to Bank under any provision of this Agreement, including its right to take possession of Collateral and proceeds thereof from the custody of Debtor or any trustee or receiver in bankruptcy or any other person, and all such expenses shall become part of the indebtedness and shall bear interest from the date paid or incurred by Bank, at the highest non-usurious rate to which Debtor could lawfully agree in writing.
15. All notices to Debtor and to Bank shall be deemed to be duly given if and when mailed, with postage prepaid, to the respective addresses of Debtor and Bank appearing on the first page hereof, or if and when delivered personally.
16. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.
17. This Agreement shall not terminate, release, discharge, or modify any security interest in the Collateral previously granted to Bank.
18. This Agreement shall be construed in accordance with the laws of the State of Michigan, and all terms used herein, unless otherwise defined or the context otherwise requires, shall have the meanings given to them by the Michigan Uniform Commercial Code.