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RECORDATION NO. 20695 FILED

MAY 27 '97

9-44 AM

Countryparts - Mary A Oster

May 27, 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Security Agreement dated April 21, 1997, between the following parties:

Secured Party: Norwest Equipment Finance, Inc.
Investors Building, #300
733 Marquette Avenue
Minneapolis, MN 55479

Debtor: Erman Corporation
11 North Skokie Highway
Lake Bluff, IL 60044

The equipment included in this transaction is listed on Schedule A to the agreement.

Please record this agreement as a primary document. The filing fee of \$24 is enclosed. Thank you for your assistance.

Sincerely,

Mary A Oster

Mary Ann Oster
Research Consultant

Enclosures

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 27 9 44 AM '97



EQUIPMENT FINANCE

Norwest Equipment Finance, Inc. Investors Building, Suite 300 733 Marquette Avenue Minneapolis, MN 55479-2048

RECORDATION NO. 2006 95 FILED

Security Agreement

MAY 27 '97

9-44 AM

Dated as of April 21, 1997 Contract Number 27180-701

Name and Address of Debtor: Erman Corporation 11 North Skokie Highway Lake Bluff, IL 60044

1. Security Interest and Collateral. To secure the payment and performance of each and every debt, liability and obligation of every type and description which Debtor may now or at any time hereafter owe to Norwest Equipment Finance, Inc. ("Secured Party") (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it is currently contemplated by the Debtor and Secured Party, whether any documents evidencing it refer to the Security Agreement, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several; all such debts, liabilities and obligations being herein collectively referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (herein call the "Security Interest") in the following property (herein called the "Collateral"):

See Schedule A

together with all substitutions and replacements for and products of the Collateral, all proceeds, accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with the Collateral.

2. Representations, Warranties and Agreements. Debtor represents, warrants and agrees that:

- (a) Authorization. If Debtor is a corporation, a partnership or a limited liability company, the execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of the Debtor and will not violate any provision of the Debtor's articles of incorporation or bylaws, partnership agreement or articles of organization or management agreement, as the case may be.
(b) Office Location. Debtor's chief executive office (if Debtor is a corporation, a partnership or a limited liability company) is located at the address for Debtor shown above. Debtor will not change the location of its chief executive office or his/her residence, as the case may be, without first giving Secured Party at least 10 days prior written notice of the new location.
(c) Business Purpose; Lawful Use. The Equipment will be used primarily for business purposes as opposed to personal, family or household purposes. Debtor will comply with all laws and regulations applicable to the Equipment and its use.

3. Additional Representations, Warranties and Agreements. Debtor represents, warrants and agrees that:

- (a) Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances, except the Security Interest and will defend the Collateral against all claims or demands of all persons other than Secured Party. Debtor will not sell or otherwise dispose of the Collateral or any interest therein without the prior written consent of Secured Party. If Debtor is a corporation, this Agreement has been duly and validly authorized by all necessary corporate action, and, if Debtor is a partnership or a limited liability company, the partner(s) or manager(s) executing this Agreement has (have) authority to act for the partnership or the limited liability company.
(b) Debtor will not permit any Collateral to be located in any state (and, if county filing is required, in any county) in which the financing statement covering such Collateral is required to be, but has not in fact been, filed in order to perfect the Security Interest.
(c) Debtor will (i) keep all Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof; (ii) promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest; (iii) keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interest; (iv) at all reasonable times, permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Debtor's books and records pertaining to the Collateral and its business and financial condition; (v) keep accurate and complete records pertaining to Debtor's business and financial condition and submit to Secured Party such periodic reports concerning Debtor's business and financial condition as Secured Party may from time to time reasonably request; (vi) promptly notify Secured Party of any loss of or material damage to any Collateral; (vii) at all times keep all Collateral insured against risks of fire (including so-called extended coverage), theft, collision (in case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest, (viii) from time to time execute such financing statements as Secured Party may reasonably require in order to perfect the Security Interest and, if any Collateral consists of a motor vehicle, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (ix) pay when due or reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Party in connection with the creation, perfection, satisfaction, protection, defense or enforcement of the Security Interest or the creation, continuance, protection, defense or enforcement of this Agreement or any or all of the Obligations, including expenses incurred in any litigation or bankruptcy or insolvency proceedings; (x) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Secured Party may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Secured Party's rights under this Agreement; (xi) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; and (xii) not permit any Collateral to become part of or to be affixed to any real property without first assuring to the reasonable satisfaction of Secured Party that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein. If Debtor at any time fails to perform or observe any agreement contained in this Section 3(c), and if such failure shall continue for a period of ten calendar days after Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in clauses (vii) and (viii) of this Section 3(c), immediately upon the occurrence of such failure, without notice or lapse of time), Secured Party may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Debtor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens, or

THIS AGREEMENT INCLUDES THE TERMS ON THE BACK OF THIS PAGE

Erman Corporation

Debtor

X [Signature]

By

X [Signature]

Title

ADDENDUM
TO
SECURITY AGREEMENT
DATED APRIL 21, 1997
(the "SECURITY AGREEMENT")

Norwest Equipment Finance, Inc. ("Secured Party") and Erman Corporation ("Debtor") hereby amend the Security Agreement as follows:

The following is added as a new paragraph 11.

11. Secured Party agrees that Debtor shall have the option exercisable once during the first 30 months of the initial term of the Promissory Note of even date herewith (the "Note") to convert the interest rate payable under the Note from a floating rate to a fixed rate. Such conversion shall be effective as of the first day of the payment period immediately following Secured Party's receipt of Debtor's notice to Secured Party of Debtor's election to convert the Note to a fixed rate note. The fixed rate shall equal the rate of interest on US Treasuries maturing closest to the maturity date of the Note as published in The Wall Street Journal on the first business day of the month in which the conversion of the Note to a fixed rate is to be effective plus 2.50 %. If The Wall Street Journal is no longer published a comparable publication acceptable to both parties shall be used. Debtor agrees to execute such documents as Secured Party may reasonably request in order to effectuate the change in interest rate payable under the Note from a floating to a fixed rate.

Except as modified herein the terms of the Security Agreement remain the same.

Dated: April 21, 1997

NORWEST EQUIPMENT FINANCE, INC.

ERMAN CORPORATION

By: *Jana K. Lenton*
Its: *Contract Admin Officer*

By: *W. Ron*
Its: *President*



EQUIPMENT
FINANCE

Norwest Equipment Finance, Inc.
Investors Building, Suite 300
733 Marquette Avenue
Minneapolis, MN 55479-2048

Schedule A

Contract Number 27180-701 dated as of April 21, 1997

Debtor: Erman Corporation

Vendor	Invoice	Quantity	Description
Gary N. Cooper	B.O.S.	1	Used 44-Ton General Electric Switch Engine No. HLCX 001 including but not limited to 1 used spare engine and 1 extra set of used batteries

Equipment originally located at: 6600 Thorn Drive
Kansas City, KS 66110

Dated: April 21, 1997

Debtor: Erman Corporation

By: X *W. R. A.*

Its: X *Resident*

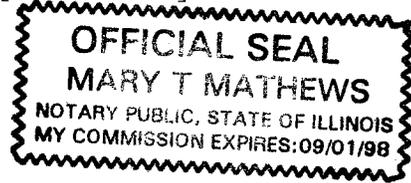
Corporate Form of Acknowledgment

State of ILLINOIS
County of LAKE ss:

On this 6TH day of MAY, 1997 before me personally appeared,
WALTER T. ROTH, to me personally known, who being by me duly sworn,
says that he is the PRESIDENT of ERMAN CORPORATION, INC, that the
foregoing Security Agreement was signed by him on behalf of said corporation by
authority of its Board of Directors, and he acknowledged that the execution of the
foregoing Security Agreement was the free act and deed of said corporation.

Mary Mathews
Signature of notary public
My commission expires 9/1/98

[Notarial Seal]



Corporate Form of Acknowledgment

State of Minnesota
County of Hennepin ss:

On this 19th day of May, 1997 before me personally appeared,
Lisa K. Lento, to me personally known, who being by me duly sworn,
says that he is the Contract Admin Ofcr of Norwest Equipment Finance, Inc. that the
foregoing Security Agreement was signed by him on behalf of said corporation by
authority of its Board of Directors, and he acknowledged that the execution of the
foregoing Security Agreement was the free act and deed of said corporation.

[Notarial Seal]

Susan K. Brumbaugh
Signature of notary public
My commission expires 1/31/2000

