



FIRST CHICAGO
The First National Bank of Chicago

RECORDATION NO. 20711 FILED

JUN 6 '97

4 40PM

791 Elm Street
Suite 2126
Winnetka, Illinois 60093
Phone(847)501-6505
FAX(847)501-6514

Mary M. Satherlie
Vice President
Private Banking and Investments Department

May 28, 1997

RECEIVED
SURFACE TRANSPORTATION
BOARD
JUN 6 4 40 PM '97

Ms. Janice Fort
Equipment Recordation Office
Surface Transportation Board
1925 K. Street NW
Suite 700
Washington DC 20423

Re: Eleven (11) Railroad Tank Cars

Dear Ms. Fort:

Enclosed per our conversation please find the request for recordation of a Railcar Lien pursuant to the provisions of 49 U.S.C. Section 111303 and the enclosed (a) a copy of the *Continuing Security Agreement* and (b) a copy of the *Installment Business Loan Note to Trade Wind, Ltd.*, signed by the primary, John Bradbury. The names and addresses of the parties subject to the Railcar Lien are as follows:

Secured Party: First National Bank of Chicago, its Successors and/or Assigns
Attn: Private Banking and Investments
791 Elm Street
Winnetka IL 60093

Debtor: Trade Wind, Ltd.
Attn: John Bradbury
2206 Elmwood Ave.
Wilmette IL 60091.

A description of the railroad equipment covered by this document is provided in Appendix A.

A recording fee of \$24 is included in this mailing. Please contact our office if we can be of further service at (847)501-6505.

Thank you for your assistance in this matter.

Sincerely,

Enclosure

JUN 6 '97 4-40PM

NAME OF DEBTOR: Trade Wind, Ltd. (the "Debtor")

TAXPAYER I.D. NO.: 36-4153285

DEBTOR'S ADDRESS (Chief executive office): 2206 Elmwood Avenue, Wilmette, Illinois 60091-1436

GRANT OF SECURITY INTEREST: The Debtor grants to The First National Bank of Chicago, a national banking association, the secured party, referred to as the "Bank", whose address is One First National Plaza, Chicago, Illinois 60670 a continuing security interest in the Collateral listed below, to secure the payment and performance of all of Debtor's debt to the Bank.

Debt shall include each and every debt, liability and obligation of every type and description now owed or arising at a later time, whether direct or indirect, joint, several, or joint and several and whether or not of the same type or class as presently outstanding, which shall collectively be referred to as "Liabilities." Liabilities shall also include all interest, costs, expenses and reasonable attorneys' fees accruing to or incurred by the Bank in collecting the Liabilities or in the protection, maintenance or liquidation of the Collateral.

DESCRIPTION OF COLLATERAL: The Collateral covered by this agreement is all of the Debtor's property defined below, present and future, including but not limited to any items listed on any schedule or list attached. Also included are all proceeds, including but not limited to stock rights, subscription rights, dividends, stock dividends, stock splits, or liquidating dividends, and all cash, accounts, chattel paper and general intangibles arising from the sale, rent, lease, casualty loss or other disposition of the Collateral, and any Collateral returned to, repossessed by or stopped in transit by the Debtor. Also included are the Debtor's books and records which reflect the Collateral. Where the Collateral is in the possession of the Bank, the Debtor agrees to deliver to the Bank any property which represents an increase in the Collateral or profits or proceeds of the Collateral.

1. "Specific" consists of the following, and all accessions, parts, attachments, accessories, additions, substitutions, replacements, appurtenances, and their related rights: **eleven (11) railroad cars as listed on the attached exhibit "A".**

WARRANTIES & COVENANTS: The Debtor warrants and covenants to the Bank that:

1. It will pay its Liabilities to the Bank secured by this agreement;
2. It is or will become the owner of the Collateral free from any liens, encumbrances or security interests, except for this security interest and existing liens disclosed to and accepted by the Bank in writing, and will defend the Collateral against all claims and demands of all persons at any time claiming any interest in it;
3. It will keep the Collateral free of liens, encumbrances and other security interests, except for this security interest, maintain it in good repair, not use it illegally and exhibit it to the Bank on demand;
4. At its own expense, the Debtor will maintain comprehensive casualty insurance on the Collateral against such risks, in such amounts, with such deductibles and with such companies as may be satisfactory to the Bank. Each insurance policy shall contain a lender's loss payable endorsement satisfactory to the Bank and a prohibition against cancellation or amendment of the policy or removal of the Bank as loss payee without at least 30 day's prior written notice to the Bank. In all events, the amounts of such insurance coverages shall conform to prudent business practices and shall be in such minimum amounts that the Debtor will not be deemed a co-insurer. The policies, or certificates evidencing them, shall, if the Bank so requests, be deposited with the Bank;
5. It will not sell or offer to sell or otherwise transfer the Collateral, or change the location of the Collateral, without the written consent of the Bank, except in the ordinary course of business;
6. It will pay promptly when due all taxes and assessments upon the Collateral, or for its use or operation;
7. No financing statement covering all or any part of the Collateral or any proceeds is on file in any public office, unless the Bank has approved that filing, and at the Bank's request, the Debtor will execute one or more financing statements in form satisfactory to the Bank and will pay the cost of filing them in all public offices where filing is deemed by the Bank to be necessary or desirable;
8. It will immediately notify the Bank in writing of any change in its name, its business organization, or its chief executive office, and of any additional places of business;
9. It will provide any information that the Bank may reasonably request and will permit the Bank, upon prior notice, to inspect and copy its books and records during normal business hours.

PLEDGE: If the Debtor is not liable for all or any part of the Borrower's obligations to the Bank (the "Debt"), then it agrees that: (a) If any monies become available to the Bank that it can apply to any Debt, the Bank may apply them to Debt not secured by this agreement. (b) Without notice to or the consent of the Debtor, the Bank may (i) take any action it chooses against any Borrower, against any collateral for the Debt, or against any other person liable for the Debt; (ii) release any Borrower or any other person liable for the Debt; release any collateral for the Debt, and neglect to perfect any interest in any such collateral; (iii) forbear or agree to forbear from exercising any rights or remedies, including any right of setoff, that it has against the Borrower, any other person liable for the Debt, or any other collateral for the Debt; (iv) renew, extend, modify or amend any Liability, and deal with any Borrower or any other person liable for the Debt as it chooses. (c) None of the Debtor's obligations under this agreement shall be affected by (i) any act or omission of the Bank; (ii) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of any Borrower; (iii) any receivership, insolvency, bankruptcy, reorganization or other similar proceedings affecting any Borrower or any of its assets; or (iv) any change in the composition or structure of any Borrower or any Debtor, including a merger or consolidation with any other entity. (d) The Bank's rights under this section and this agreement are unconditional and absolute, regardless of the unenforceability of any provision of any agreement between any Borrower and the Bank, or the existence of any defense, setoff or counterclaim that a Borrower may be able to assert against the Bank. (e) It waives all rights of subrogation, contribution, reimbursement, indemnity, exoneration, implied contract, recourse to security, and any other claim (as that term is defined in the federal Bankruptcy Code, as amended from time to time) that it may have or acquire in the future against any Borrower, any other person liable for the Debt, or any collateral for the Debt, because of the existence of this agreement, the Debtor's performance under this agreement, or the Bank's availing itself of any rights or remedies under this agreement. (f) If any payment to the Bank on any of the Liabilities are wholly or partially invalidated, set aside, declared fraudulent or required to be repaid to the Borrower or anyone representing the Borrower or the Borrower's creditors under any bankruptcy or insolvency act or code, under any state or federal law, or under common law or equitable principles, then this agreement shall remain in full force and effect or be reinstated, as the case may be, until payment in full to the Bank of the repaid amounts, and of the Liabilities. If this agreement must be reinstated, the Debtor agrees to execute and deliver to the Bank new agreements and financing statements, if necessary, in form and substance acceptable to the Bank, covering the Collateral.

DEFAULT/REMEDIES: If the Debtor or the Borrower fails to pay any of the Liabilities when due, or if a default by anyone occurs under the terms of any agreement related to any of the Liabilities, or if the Debtor dies or fails to observe or perform any term of this agreement, or if any representation or warranty contained in this agreement is untrue, or if there is a material change in the financial condition of the Debtor which the Bank in good faith determines to be materially adverse, then the Bank shall have the rights and remedies provided by law or this agreement, including but not limited to the right to require the Debtor to assemble the Collateral and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties, the right to take possession of the Collateral with or without demand and with or without process of law, and the right to sell and dispose of it and distribute the proceeds according to law. In connection with the right of the Bank to take possession of the Collateral, the Bank may take possession of any other items of property in or on the Collateral at the time of taking possession, and hold them for the Debtor without liability on the part of the Bank. If there is any statutory requirement for notice, that requirement shall be met if the Bank sends notice to the Debtor at least seven (7) days prior to the date of sale, disposition or other event giving rise to the required notice. The Debtor is liable for any deficiency remaining after disposition of the Collateral.

MISCELLANEOUS:

1. Where the Collateral is located at, used in or attached to a facility leased by the Debtor, the Debtor will obtain from the lessor a consent to the granting of this security interest and a subordination of the lessor's interest in any of the collateral, in form acceptable to the Bank.
2. At its option the Bank may, but shall be under no duty or obligation to, discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, pay for insurance on the Collateral, and pay for the maintenance and preservation of the Collateral,

and the Debtor agrees to reimburse the Bank on demand for any payment made or expense incurred by the Bank, with interest at the highest rate permitted under any of the instruments evidencing the Liabilities.

- 3. No delay on the part of Bank in the exercise of any right or remedy operates as a waiver, no single or partial exercise by Bank of any right or remedy precludes any other exercise of it or the exercise of any other right or remedy, and no waiver or indulgence by the Bank of any default is effective unless it is in writing and signed by Bank, nor does a waiver on one occasion waive that right on any future occasion.
- 4. If any provision of this agreement is invalid, it shall be ineffective only to the extent of its invalidity, and the remaining provisions shall be valid and effective.
- 5. Notice from one party to another relating to this agreement shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number or fax number set forth above by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) first class or express mail, postage prepaid, (d) Federal Express, Purolator Courier or like overnight courier service or (e) fax, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type. Notice made in accordance with this section is deemed delivered on receipt if delivered by hand or wire transmission, on the third business day after mailing by first class, registered or certified mail, or on the next business day after mailing or deposit with an overnight courier service.
- 6. All rights of Bank benefit the Bank's successors and assigns; and all obligations of the Debtor bind the Debtor's heirs, executors, administrators, successors and assigns. If there is more than one Debtor, their obligations are joint and several.
- 7. A carbon, photographic or other reproduction of this agreement is sufficient, and can be filed as a financing statement. The Bank is irrevocably appointed the Debtor's attorney-in-fact to execute any financing statement on Debtor's behalf covering the Collateral.
- 8. The terms and provisions of this security agreement are governed by Illinois law.

REPRESENTATIONS BY DEBTOR: Debtor represents that: (a) it is a corporation duly organized, existing and in good standing pursuant to the laws under which it is organized; and (b) the execution and delivery of this agreement and the performance of the obligations it imposes (i) are within its powers, (ii) have been duly authorized by all necessary action of its board of directors, and (iii) do not contravene the terms of its articles of incorporation, by-laws, or any other agreement governing its affairs. The Debtor further represents that: (a) the execution and delivery of this agreement and the performance of the obligations it imposes do not violate any law, conflict with any agreement by which it is bound, or require the consent or approval of any governmental authority or other third party; (b) this agreement is a valid and binding agreement, enforceable according to its terms; and (c) all balance sheets, statements of income, cash flow and retained earnings, and other financial statements furnished to the Bank are accurate and fairly reflect the financial condition of the organization(s) and person(s) to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates.

WAIVER OF JURY TRIAL: The Bank and the Debtor, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this agreement or any related instrument or agreement, or any of the transactions contemplated by this agreement, or any course of conduct, dealing, statements (whether oral or written), or actions of either of them. Neither the Bank nor the Debtor shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Bank or the Debtor except by a written instrument executed by both of them.

Dated: May 29, 1997

Debtor:

Trade Wind, Ltd.
 By: John W. Bradbury
John W. BRADBURY PRES.
 Printed Name Title

Due May 29, 2002
Account No. _____
Note No. _____

JUN '97 4-40PM

\$156,375.00
Date: May 29, 1997

Promise to Pay: On or before May 29, 2002, for value received, the undersigned, Trade Wind, Ltd. (the "Borrower") promises to pay to The First National Bank of Chicago, a national banking association (the "Bank") or order, at the Bank's main office in Chicago, Illinois 60670 or at any office of the Bank in the State of Illinois, the sum of One Hundred Fifty Six Thousand Three Hundred Seventy Five and 00/100 DOLLARS (\$156,375.00) plus interest computed on the basis of the actual number of days elapsed in a year of 360 days at the rate of:

8 & 3/4% per annum until maturity, whether by acceleration or otherwise (the "Note Rate"), and at the rate of 3% per annum above the Note Rate on overdue principal from the date when due until paid.

In no event shall the interest rate exceed the maximum rate allowed by law; any interest payment which would for any reason be unlawful under applicable law shall be applied to principal.

The Borrower will pay this sum in 59 consecutive monthly installments of \$1,970.84, including interest, commencing June 29, 1997 until May 29, 2002 at which time the balance plus accrued interest then unpaid shall be due and payable immediately.

BUSINESS LOAN: The Borrower acknowledges and agrees (i) that this Note evidences a business loan for the purpose of financing a commercial enterprise carried on for the purpose of investment or profit under 815 ILCS 205/4 and is not subject to any usury law or limitation of the State of Illinois, and (ii) the obligation evidenced by this Note is an exempt transaction under the Federal Truth-in-Lending Act, 15 U.S.C., Section 1601 et seq.

PREPAYMENT PREMIUM: The Borrower may prepay all or any part of the principal balance of this Note on one business day's notice provided that, in addition to all principal, interest and costs owing at the time of prepayment, the Borrower pays a prepayment premium equal to the Current Value of (i) the interest that would have accrued on the amount prepaid at the Note Rate, minus (ii) the interest that could accrue on the amount prepaid at the Treasury Rate. In both cases, interest will be calculated from the prepayment date to the maturity date(s) of the installment(s) being prepaid. Such maturity date(s) shall be determined by applying the prepayment to the scheduled installment(s) of principal in their inverse order of maturity. "Treasury Rate" shall mean the yield, as of the date of prepayment, on United States Treasury bills, notes or bonds, selected by the Bank in its discretion, having maturities comparable to the scheduled maturities of the installment(s) being prepaid. "Current Value" means the net present value of the dollar amount of the interest to be earned, discounted at the Treasury Rate. In no event shall the prepayment premium be less than zero. The Borrower's notice of its intent to prepay shall be irrevocable. If the balance of this Note is accelerated in accordance with the terms of this Note, the resulting balance due shall be considered a prepayment due and payable as of the date of acceleration. The Borrower agrees that the prepayment premium is a reasonable estimate of loss and not a penalty. The prepayment premium is payable as liquidated damages for the loss of bargain, and its payment shall not in any way reduce, affect or impair any other obligation of the Borrower under this Note.

All prepayments shall be applied to installments of principal in their inverse order of maturity, and no prepayments shall reduce the dollar amount of fixed principal installments required to be paid, until this Note is paid in full.

AGREEMENT: This Note evidences a debt which is subject to the additional terms and conditions of a Term Loan Agreement between the Bank and the Borrower dated as of May 29, 1997, and any amendments.

SECURITY: To secure the payment of this Note and any other present or future liability of the Borrower to the Bank, whether several, joint, or joint and several, the Borrower pledges and grants to the Bank a continuing security interest in the following described property and all of its additions, substitutions, increments, proceeds and products, whether now owned or later acquired ("Collateral"):

1. All securities and other property of the Borrower in the custody, possession or control of the Bank (other than property held by the Bank solely in a fiduciary capacity);
2. All property or securities declared or acknowledged to constitute security for any past, present or future liability of the Borrower to the Bank;
3. All balances of deposit accounts of the Borrower with the Bank;
4. The following additional property of the Borrower: Equipment as described in Continuing Security Agreement dated May 29, 1997.

BANK'S RIGHT TO SETOFF: The Bank shall have the right at any time to apply its own debt or liability to the Borrower or to any other party liable on this Note in whole or partial payment of this Note or other present or future liabilities of the Borrower to the Bank, without any requirement of mutual maturity.

RELATED DOCUMENTS: The terms and provisions of any loan agreement, mortgage, security agreement or any other document executed as part of the loans evidenced by this Note are incorporated by reference and made part of this Note.

REPRESENTATIONS BY BORROWER: Borrower represents that: (a) it is a corporation duly organized, existing and in good standing pursuant to the laws under which it is organized; and (b) the execution and delivery of this Note and the performance of the obligations it imposes (i) are within its powers, (ii) have been duly authorized by all necessary action of its board of directors, and (iii) do not contravene the terms of its articles of incorporation, by-laws, or any other agreement governing its affairs. The Borrower further represents that: (a) the execution and delivery of this Note and the performance of the obligations it imposes do not violate any law, conflict with any agreement by which it is bound, or require the consent or approval of any governmental authority or other third party; (b) this Note is a valid and binding agreement, enforceable according to its terms; and (c) all balance sheets, statements of income, cash flow and retained earnings, and other financial statements furnished to the Bank are accurate and fairly reflect the financial condition of the organization(s) and person(s) to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates.

EVENTS OF DEFAULT/ACCELERATION: If any of the following events occurs this Note shall become due immediately, without notice, at the Bank's option:

1. The Borrower, or any guarantor, of this Note (the "Guarantor") fails to pay when due any amount payable under this Note or under any agreement or instrument evidencing debt to any creditor.
2. The Borrower or any Guarantor (a) fails to observe or perform any other term of this Note; (b) makes any materially incorrect or misleading representation, warranty, or certificate to the Bank; (c) makes any materially incorrect or misleading representation in any financial statement or other information delivered to the Bank; or (d) defaults under the terms of any agreement or instrument relating to any debt for borrowed money (other than the debt evidenced by this Note) such that the creditor declares the debt due before its maturity.
3. There is a default under the terms of any loan agreement, mortgage, security agreement, or any other document executed as part of the loan evidenced by this Note, or any guaranty of the loan evidenced by this Note becomes unenforceable in whole or in part, or any Guarantor fails to promptly perform under its guaranty.
4. A "reportable event" (as defined in the Employee Retirement Income Security Act of 1974 as amended) occurs that would permit the Pension Benefit Guaranty Corporation to terminate any employee benefit plan of the Borrower or any affiliate of the Borrower.
5. The Borrower or any Guarantor becomes insolvent or unable to pay its debts as they become due.
6. The Borrower or any Guarantor (a) makes an assignment for the benefit of creditors; (b) consents to the appointment of a custodian, receiver, or trustee for itself or for a substantial part of its assets; or (c) commences any proceeding under any bankruptcy, reorganization, liquidation, insolvency or similar laws of any jurisdiction.
7. A custodian, receiver, or trustee is appointed for the Borrower or any Guarantor or for a substantial part of its assets without its consent and is not removed within 60 days after the appointment.
8. Proceedings are commenced against the Borrower or any Guarantor under any bankruptcy, reorganization, liquidation, or similar laws of any jurisdiction, and they remain undismissed for 60 days after commencement; or the Borrower or Guarantor consents to the commencement of those proceedings.
9. Any judgment is entered against the Borrower or any Guarantor, or any attachment, levy, or garnishment is issued against any property of the Borrower or any Guarantor.

10. The Borrower or any Guarantor dies.
11. The Borrower or any Guarantor, without the Bank's written consent (a) is dissolved, (b) merges or consolidates with any third party, (c) leases, sells or otherwise conveys a material part of its assets or business outside the ordinary course of its business, (d) leases, purchases, or otherwise acquires a material part of the assets of any other business entity, except in the ordinary course of its business, or (e) agrees to do any of the foregoing (notwithstanding the foregoing, any subsidiary may merge or consolidate with any other subsidiary, or with the Borrower, so long as the Borrower is the survivor).
12. The loan to value ratio of any pledged securities at any time exceeds the Bank's limit for the type of securities pledged, and that excess continues for five (5) days after notice from the Bank to the Borrower.
13. There is a substantial change in the existing or prospective financial condition of the Borrower or any Guarantor which the Bank in good faith determines to be materially adverse.
14. The Bank in good faith deems itself insecure.

REMEDIES: If this Note is not paid at maturity, whether by demand, acceleration or otherwise, the Bank shall have all of the rights and remedies provided by any law or agreement. Any requirement of reasonable notice is met if the Bank sends the notice to the Borrower at least seven (7) days prior to the date of sale, disposition or other event giving rise to the required notice. The Bank is authorized to cause all or any part of the Collateral to be transferred to or registered in its name or in the name of any other person or business entity, with or without designating the capacity of that nominee. The Borrower is liable for any deficiency remaining after disposition of any Collateral. The Borrower is liable to the Bank for all reasonable costs and expenses of every kind incurred in the making or collection of this Note, including without limitation reasonable attorneys' fees and court costs. These costs and expenses include without limitation any costs or expenses incurred by the Bank in any bankruptcy, reorganization, insolvency or other similar proceeding.

WAIVER: Each endorser and any other party liable on this Note severally waives demand, presentment, notice of dishonor and protest, and consents to any extension or postponement of time of its payment without limit as to the number or period, to any substitution, exchange or release of all or any part of the Collateral, to the addition of any party, and to the release or discharge of, or suspension of any rights and remedies against, any person who may be liable for the payment of this Note. No delay on the part of the Bank in the exercise of any right or remedy waives that right or remedy. No single or partial exercise by the Bank of any right or remedy precludes any other future exercise of it or the exercise of any other right or remedy. No waiver or indulgence by the Bank of any default is effective unless it is in writing and signed by the Bank, nor does a waiver on one occasion bar or waive that right on any future occasion.

MISCELLANEOUS: The Borrower, if more than one, is jointly and severally liable for the obligations represented by this Note, the term "Borrower" means any one or more of them, and the receipt of value by any one of them constitutes the receipt of value by the others. This Note binds the Borrower and its successors, and benefits the Bank, its successors and assigns. Any reference to the Bank includes any holder of this Note. This Note is delivered in the State of Illinois and governed by Illinois law. Section headings are for convenience of reference only and do not affect the interpretation of this Note. This Note and any related loan documents embody the entire agreement between the Borrower and the Bank regarding the terms of the loan evidenced by this Note and supersede all oral statements and prior writings relating to that loan.

WAIVER OF JURY TRIAL: The Bank and the Borrower, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this Note or any related instrument or agreement, or any of the transactions contemplated by this Note, or any course of conduct, dealing, statements (whether oral or written), or actions of either of them. Neither the Bank nor the Borrower shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Bank or the Borrower except by a written instrument executed by both of them.

Address:
2206 Elmwood Avenue
Wilmette, Illinois 60091-1436

Borrower:

Trade Wind, Ltd.

By:

John W. Bickelby
John W. Bickelby PRES.

Printed Name
Tax I.D. Number: 36-4153285

Title



FIRST CHICAGO
The First National Bank of Chicago

Appendix A

Collateral as follows:

Rail Car #'s:	TAZX 1001
	TAZX 1002
	TAZX 1003
	TAZX 1004
	TAZX 1005
	TAZX 1006
	TAZX 1007
	TAZX 1008
	TAZX 1009
	TAZX 1010
	TAZX 1011