



The Granville National Bank

January 14, 1994

0100093018

RECORDATION NO. 18665 FILED 1423

JAN 25 1994 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Attn: Mildred Lee
Room 2303
12th & Constitution Avenue N.W.
Washington, D.C. 20423

Dear Miss Lee:

Enclosed is a signed and notarized Security Agreement from D.O.T. Rail Service, Inc., to the Granville National Bank for the purchase of two locomotives. The locomotives are numbers D.O.T. 1423 and D.O.T. 1427. I have enclosed an \$18.00 check for filing fees.

If you need additional information or have questions regarding this request to file the Security Agreement, please contact me. My phone number is (815) 339-2222.

Thank you for your assistance in this matter.

Sincerely,

Daniel J. Wujek
Vice President

DJW/sjs
Enclosure

RECEIVED
OFFICE OF THE
SECRETARY
JAN 25 10 18 AM '94
LICENSING BRANCH

Interstate Commerce Commission
Washington, D.C. 20423

1/26/94

OFFICE OF THE SECRETARY

Daniel J. Wujek

Vice President

The Granville National Bank
Granville, OH. 43026

328 South McCoy Street

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 1/25/94 at 10:25am, and assigned
recordation number(s). 18665

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

Commercial Security Agreement

LENDER

GRANVILLE NATIONAL BANK
GRANVILLE, ILLINOIS 61325

BORROWER'S NAME (Hereinafter called "Borrower") **RECORDATION NO. 18665**
DOO. T. Rail Service, Inc.
Nature of Borrower (Assumed Name, Partnership, Corporation) **JAN 25 1994 - 11 25 AM**
Corporation
Street Address
2646 Highway Avenue
City **Highland** **County** **IN** **State** **IN** **Zip Code** **46322**

Regarding Security-Interest In:

All Assets
 Accounts
 Inventory
 Equipment
 Instruments
 Specific (as noted below)

1. SECURITY INTEREST GRANT— The Borrower, in consideration of its liabilities, as hereinafter defined, hereby agrees to all of the terms of this agreement and further hereby specifically grants the Lender a continuing security interest in the collateral shown in the boxes checked above (and described in the paragraph below) including the products thereof to secure the payment of all loans, advances, and extensions of credit from the Lender to the Borrower, including all renewals and extensions thereof and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between the Lender and the Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise. The grant of security interest herein shall apply to all obligations, whether they arise hereunder, under any other mortgage, security agreement, note, lease, instrument contract, document or other similar writing heretofore, now, or hereafter executed by the Borrower to Lender, including oral agreements and obligations arising by operation of law. The foregoing obligations shall be hereafter collectively called the "Liabilities" and shall also include all interest, costs, expenses, and attorney's fees accruing to or incurred by the Lender in collecting the Liabilities or in the protection, maintenance, or liquidation of the Collateral.

2. DESCRIPTION OF COLLATERAL— The "Collateral" covered by this agreement is all of the Borrower's property described below, with regard to which a check mark has been placed in the applicable box above, which the Borrower now owns or may hereafter acquire or create and which may include, but shall not be limited to, any items listed on any schedule or list attached hereto:

A. ALL ASSETS— "All Assets" of the Borrower shall include all of the tangible and intangible property of the Borrower of whatsoever nature now owned or hereafter acquired by the Borrower, including, but not limited to, accounts, inventory, equipment, and instruments as defined herein.

B. ACCOUNTS— "Accounts" shall consist of accounts, documents, chattel paper, instruments, contract rights, general intangibles, and choses in action, including any right to any refund of taxes paid before or after this

agreement to any governmental entity (hereinafter individually and collectively referred to as "Accounts").

C. INVENTORY— "Inventory" shall consist of all inventory and goods now or hereafter acquired or owned, including, but not limited to; raw materials, work in process, finished goods, tangible property, stock in trade, wares and merchandise used in or sold in the ordinary course of the Borrower's business, including goods whose sale, lease, or other disposition by the Borrower has given rise to any accounts and any goods which may have been returned to or repossessed or stopped in transit by the Borrower.

D. EQUIPMENT— "Equipment" shall consist of all equipment and fixtures, including all machinery, furnishings, furniture, vehicles (together with all accessions, parts, attachments, accessories, tools, and dies; or appurtenances thereto or intended for use in connection therewith), and all substitutions, betterments, and replacements thereof and additions thereto.

E. INSTRUMENTS— "Instruments" means any negotiable instrument as defined in Article 3, Section 104, of the Uniform Commercial Code, any security which is defined in Article 8, Section 102, of the Uniform Commercial Code, or any other writing which evidences a right of payment of money (and is not itself a security agreement or lease) and is of a type which is, in the ordinary course of business, transferred by delivery with a necessary endorsement or assignment.

F. SPECIFIC— "Specific" refers to the specific property, together with all related rights, shown below.

3. SPECIAL PROVISIONS— The properties and interest in properties described below and also checked in the appropriate boxes above are sometimes hereinafter individually and collectively referred to as the "Collateral". If no box is checked, it is specifically understood and acknowledged by the Borrower that it is the intent of the Borrower to grant the Lender a security interest in "All Assets" as defined above.

SPECIFIC COLLATERAL / SPECIAL PROVISIONS (If Collateral includes fixtures, describe the real estate):

- 1 EMD 125 Ton SW 14 Switch Engine Locomotive Identified as #D.O.T. 1423
- 1 EMD 125 Ton SW 14 Switch Engine Locomotive Identified as #D.O.T. 1427

State of Illinois Putnam County ss:

I, Carol Serrine, a Notary Public in and for said county and state, do hereby certify that Philip C. Carlson, Executive Vice President of the Granville National Bank and Don L. Gibson of D.O.T. Rail Service, Inc., personally known to me to be the officers of Granville National Bank and D.O.T. Rail Service, Inc., subscribed to this instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth. Given under my hand and official seal, this 5th day of January, 1994.
 My commission expires:

Carol Serrine
 Notary Public

The Borrower acknowledges that this is the entire Agreement between the parties, except to the extent that writings signed by the party to be charged are specifically incorporated herein by reference either in this Agreement or in such writings, and acknowledges receipt of a true and complete copy of this Agreement.

Further paragraphs of this Security Agreement are set forth on the reverse side hereof, and the Borrower expressly agrees to all of the provisions thereof and signifies his assent thereto by the signature below.

IN WITNESS WHEREOF, the Borrower has executed this Agreement on the date and year shown below.
 Lender: Granville National Bank

Date: January 5, 1994
 Borrower: D.O.T. Rail Service, Inc.

By X Philip C. Carlson
 Its Executive Vice President

By X Don L. Gibson
 Its Vice President

4. **WARRANTIES** — The Borrower warrants the following, it has or will acquire free and clear title to all of the Collateral, unless otherwise provided herein; the security interest granted to the Lender shall be a first security interest, and the Borrower will defend same to the Lender against the claims and demands of all persons; all of the Collateral is located in the state of the Borrower's address specified on the reverse side hereof, unless otherwise certified to and agreed to by the Lender, or, alternatively, is in possession of the Lender; all accounts are genuine and enforceable; the Borrower will not remove or change the location of any Collateral without the Lender's prior written consent; the Borrower will not use the Collateral or permit it to be used for any unlawful purpose; and the Borrower will not conduct business under any name other than that given on the reverse side hereof, nor change, nor reorganize the type of business entity as described, except upon the prior written approval of the Lender, in which event the Borrower agrees to execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Borrower's expense, before such change occurs; the Borrower will keep all records of account, documents, evidence of title, and all other documentation regarding its business and the Collateral at the address specified on the reverse side hereof, unless notice thereof is given to the Lender at least ten (10) days prior to the change of any address for the keeping of such records; the Borrower will, at all times, maintain the Collateral in good condition and repair and will not sell or remove same except as to inventory in the ordinary course of business; the Borrower is a legally created business entity, as described before, and it has the power, and the person signing is duly authorized, to enter into this Agreement; the execution of this Agreement will not create any breach of any provision of any other agreement to which the Borrower is or may become a party; all financial information and statements delivered by the Borrower to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Borrower since it last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Borrower which may result in any material adverse change in the Borrower's financial condition or which might materially affect any of the Borrower's assets; and the Borrower has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Borrower is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

5. **INSURANCE** — The Borrower agrees that it will, at its own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee thereunder. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive towards the payment of the liabilities, whether or not due, in such order as the Lender may at its sole discretion determine. The Borrower agrees to maintain, at its own expense, public liability and property damage insurance upon all its other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies or other evidence of such policies and evidence of the payments of the premiums thereon. If the Borrower at any time fails to obtain or to maintain any of the insurance required above or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Borrower's property. All costs incurred by the Lender, including reasonable attorney's fees, court costs, expenses, and other charges thereby incurred, shall become a part of the liabilities and shall be payable on demand.

6. **TAXES, LIENS, ETC.** — The Borrower agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Borrower's business. If the Borrower fails to pay such taxes or other charges, the Lender at its sole discretion, may pay such charges on behalf of the Borrower; and all sums so dispensed by the Lender, including reasonable attorney's fees, court costs, expenses, and other charges relating thereto, shall become a part of the liabilities and shall be payable on demand.

7. **INFORMATION AND REPORTING** — The Borrower agrees to supply to the Lender such financial and other information concerning its affairs and the status of any of its assets as the Lender, from time to time, may reasonably request. The Borrower further agrees to permit the Lender, its employees, and agents, to have access to the Collateral for the purpose of inspecting it, together with all of the Borrower's other physical assets if any, and to permit the Lender, from time to time, to verify accounts as well as to inspect, copy and to examine the books, records, and files of the Borrower.

8. **ACCOUNTS** — The Borrower acknowledges that, if the box called 'Accounts' is checked on the reverse side hereof, it is understood that the Lender will initially permit the Borrower to collect accounts from its debtors. The Borrower understands that this privilege may be terminated by the Lender at any time, and that, in such event, the Lender shall be vested with all of the rights of the Borrower in respect thereto, including the right of stoppage in transit, the ability to notify any debtor or debtors of the assignment, and the ability to execute any instrument on behalf of the Borrower in settlement or fulfillment of an account. In such event, the Borrower agrees to execute such assignments as the Lender may request to evidence the assignment. The Borrower agrees that, in the event of an assignment to the Lender, it thereafter receives payment on any account as the agent of the Lender, and the Borrower agrees to transmit such payment in the form in which it was received to the Lender on

the date of receipt thereof, appropriately endorsed; if necessary, to permit negotiation by the Lender. Until such remittance, the Borrower agrees to keep all such receipts on account separate and apart from the Borrower's own funds so that such receipts are readily identifiable as the property of the Lender and to hold same in trust for the Lender. In any event, the Lender is authorized to endorse or to sign, in the name of the Borrower, any instrument of whatsoever nature to effect the collection of the accounts for application to the liabilities.

9. **DEFAULT** — The occurrence of any of the following events shall constitute a default of this agreement: (a) the non-payment, when due, of any amount payable on any of the liabilities or any extension or renewal thereof; (b) the failure to perform any agreement of the Borrower contained herein; (c) the publication of any statement, representation, or warranty, whether written or oral, by the Borrower to the Lender, which at any time is untrue in any respect as of the date made; (d) the condition that any Obligor (which term, as used herein, shall mean the Borrower and in each party primarily or secondarily liable on any of the liabilities) becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Obligor's creditors, or conveys substantially all of its assets, or in the event of any proceedings instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature, or in the event that a petition of any kind is filed under the Federal Bankruptcy Act by or against such Obligor; (e) the entry of any judgment against any Obligor, or the issue of any order of attachment, execution, sequestration, claim, and delivery, or other order in the nature of a writ levied against the Collateral; (f) the death of any Obligor who is a natural person, or of any partner of the Obligor which is a partnership; (g) the dissolution, merger, and consolidation or transfer of a substantial part of the property of any Obligor, which is a corporation or partnership; (h) in the event that any part of the Collateral materially declines in value in excess of normal wear, tear, and depreciation; or (i) the Lender feels insecure for any reason.

REMEDY — The Borrower agrees that, whenever a default exists, all liabilities may (notwithstanding any provisions thereof), at the sole option and discretion of the Lender and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable; and the Lender may exercise, from time to time, any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. The Lender shall have the right to hold any property then in or upon said Collateral at the time of repossession not covered by the security agreement until return is demanded in writing by the Borrower. The Borrower agrees, in the case of default, to assemble, at its own expense, all Collateral at a convenient place acceptable to the Lender and to pay all costs of the Lender in connection with the collecting of the liabilities and enforcement of any rights hereunder, including reasonable attorney's fees and legal expenses, and including participation in Bankruptcy proceedings; and to pay all of the expense of locating the Collateral, as well as the expense of any repairs for any realty or other property to which any of the Collateral may have been affixed or made a part. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent postage prepaid, by regular mail, to the Borrower at least seven (7) days before such disposition, and addressed to the Borrower either at the address shown herein or at any other address. The Lender shall, in the event of any default have the right to peacefully retake any of the goods. The debtor waives any right he may have, in such instance, to a judicial hearing prior to such retaking. In the event of a default, the Borrower expressly authorizes the Lender to offset any debts of the Lender to the Borrower against the liabilities, including, but not limited to, any checking or savings account, certificate of deposit, savings receipt, or the like.

10. **MISCELLANEOUS** — Time is of the essence of this agreement. Except as otherwise defined in this agreement, all terms herein shall have the meanings provided by the Uniform Commercial Code as it has been adopted in the state where the Lender is located. Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by the Borrower to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Borrower shall not constitute a waiver of subsequent default. All rights, remedies, and powers of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies, and powers given hereunder or in or by any other instruments or by the provision of the Uniform Commercial Code as adopted in the state where the Lender is located, or any other laws now existing or hereinafter enacted. The Borrower specifically agrees that, if it has heretofore or hereafter executed any loan agreement in conjunction with this agreement, any ambiguities between this agreement and any such loan agreement shall be construed under the provisions of the loan agreement, to the extent that it may be necessary to eliminate any such ambiguity.

This agreement has been delivered in the state where the Lender is located and shall be construed in accordance with the laws of that state. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, if any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such provision or the invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement. The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this agreement shall be binding on all heirs, executors, administrators, assigns, and successors of the Borrower. The Borrower may not assign this agreement or any benefits accruing to it hereunder without the express written consent of the Lender.