

GROSS & VANDIVIER

Attorneys at Law

Capital Center, North Tower

251 North Illinois Street, Suite 180

Indianapolis, Indiana 46204

18983

MAR 23 1990 - 11 10 AM

Telephone

(317) 237-3666

Robert W. Gross
Blair R. Vandivier

0-052A000

18983

MAR 23 1990 - 11 10 AM

MAR 23 1990 - 11 10 AM

March 20, 1990

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Room 2303
Washington, DC 20423

Dear Secretary:

Enclosed you will find two separate Security Agreements. As requested, there are the two originals and two notarized copies of each original document.

The names and addresses of the parties to the documents are as follows:

Lessee
THE INDIANA DINNER TRAIN COMPANY
1500 South Senate
Indianapolis, IN 46225

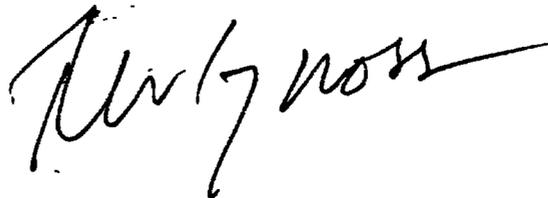
Lessor
INB NATIONAL BANK
One Indiana Square
Indianapolis, IN
46266

Lessee
THE INDIANA RAIL ROAD COMPANY
1500 South Senate
Indianapolis, IN 46225

Lessor
INB NATIONAL BANK
One Indiana Square
Indianapolis, IN
46266

A fee of \$30 is enclosed. Please return the original to us after recordation.

Very truly yours,



RWG/es
Enclosures

16983

RECORDATION NO. _____ FILED 1983

0846G

SECURITY AGREEMENT

MAR 23 1990 - 11:00 AM

This Security Agreement made this 9th day of February, 1990, between THE INDIANA DINNER TRAIN COMPANY, an Indiana corporation with offices at 1500 South Senate, Indianapolis, Indiana 46225 (referred to herein as "Borrower") and INB NATIONAL BANK, a national banking association with its principal office at One Indiana Square, Indianapolis, Indiana 46266 ("Bank") under Loan Agreement of even date herewith (the "Loan Agreement").

INTERSTATE COMMERCE COMMISSION

1. DEFINITIONS. As used herein:

(a) The term "Account" or "Account Receivable" shall mean any Non-Bonded right of the Borrower to payment for goods sold or leased for services rendered, or any similar right Borrower may now or hereafter acquire from any person, firm or corporation.

(b) The term "Account Debtor" shall mean the party who is obligated on or under any Account Receivable or Contract Right.

(c) The term "Collateral" shall mean all property or rights in which a security interest is granted hereunder.

(d) The term "Contract Right" shall mean any right of the Borrower to payment under a contract for the sale or lease of goods or the rendering of services, which right is at the time not yet earned by performance, or any similar right borrower may have acquired from any person, firm or corporation.

(e) "Event of Default" or "Events of Default" shall have the meaning ascribed in Paragraph 8 of the Loan Agreement.

(f) "Equipment" shall mean all equipment (including all tractors and trailers and other rolling stock) together with all tools, accessories, parts, equipment and accessions now in, attached to or which may hereafter at any time be placed in or added to the Equipment; and also any replacements of such property.

(g) The term "General Intangible" shall mean any personal property (including things in action) other than goods, accounts, contracts, rights, chattel paper, documents and instruments, machinery, equipment, furniture, fixtures and furnishings.

(h) The term "Inventory" shall mean goods, merchandise and other personal property, now owned or hereafter acquired by the Borrower, which are held for sale or lease or are furnished or to be furnished under a contract of service, or are raw materials, work in process, or materials used or consumed or to be used or consumed in the Borrower's business.

(i) The term "Liabilities" shall have the meaning as set forth in the Loan Agreement.

(j) "Loan Agreement" shall mean the Loan Agreement between the Borrower and INB National Bank, dated ~~February~~ 9, 1990.

Any other terms used herein not specifically herein defined shall have the meaning ascribed to it in the Loan Agreement.

2. SECURITY INTEREST IN COLLATERAL.

As security for the payment and performance of all Liabilities, the Bank shall have, and the Borrower does hereby grant, a security interest in the following Collateral:

(a) All Accounts, Accounts Receivable, Contracts Rights, instruments, chattel paper, invoices, claims, policy or certificates of insurance, deposits, documents, bills of lading, whether now owned or hereafter arising and all General Intangibles, now owned or hereafter arising including, but not limited to, all inventions, processes, formulae, licenses, patents, patent rights, copyrights, copyright rights, trademarks, trademark rights, tax refunds, (federal, state or local), service marks, service mark rights, trade names, trade name rights, customer lists, franchises, permits, operating permits, franchise rights, drawings, designs, marketing rights and other like business property rights and all applications to acquire such rights, for which application may at any time be made by the Borrower and the products and proceeds of all the foregoing and all of the rights and remedies under any of the foregoing; and

(b) All Inventory and proceeds of all the foregoing.

(c) All Equipment, goods, machinery, trucks, boats, barges, rolling stock, locomotives, cars, on and off the road vehicles of any kind or nature, forklifts, tools, dies, jigs, presses, appliances, implements, and all other tangible or personal property of every kind and nature used, usable or useful in the business of the Debtor wherever located and all accessions thereto, and all goods of like kind or type hereafter acquired by the Debtor in substitution or replacement thereof and all additions and accessions thereto, and the products and proceeds, including insurance proceeds therefrom.

3. REPRESENTATIONS AND WARRANTIES. To induce the Bank to enter into said Loan Agreement represents and warrants that:

(a) Any Account Receivable subject to the security interests of the Bank: (1) is a good and valid Account Receivable representing an undisputed, bona fide indebtedness incurred by the Account Debtor named therein, for merchandise held subject to delivery instructions or shipped or delivered pursuant to a contract of sale; (2) is for services performed by the Borrower or any predecessor in interest with or for said Account Debtor; (3) is free and clear from setoffs or counterclaims and is not subject to any lien other than the security interest granted hereunder; (4) is not subject to any agreement wherein the Account Debtor may claim a deduction or discount except in the ordinary course of business or as shown on the list of Accounts Receivable furnished the Bank; (5) are owned by the Borrower and the Borrower shall have the right to subject such Accounts Receivable to the security interest of the Bank; (6) will not be sold, assigned or transferred to any person other than the Bank or in any other way encumbered and the Borrower will defend same against any person claiming an interest in such Accounts Receivable adverse to the interest of the Bank.

(b) With respect to any instruments, documents of title, security, chattel paper or other property, or any interest therein pledged to the Bank, the Borrower shall be the lawful owner thereof and shall have the right to pledge, sell, assign or transfer the same; none of such property shall have been pledged, sold, assigned or transferred to any person other than the Bank or in any way encumbered and the Borrower will defend the same against the claims and demands of others, except as shown on Schedule 1 of the Loan Agreement.

(c) Any Contract Right subject to the security interests of the Bank: (1) is a good and valid Contract Right representing an undisputed, bona fide indebtedness incurred by the Account Debtor named therein; (2) are for services performed or to be performed by the Borrower or any predecessor in interest with or for said Account Debtor; (3) is free and clear from setoffs or counterclaims and is not subject to any lien other than the security interest granted hereunder; (4) is not subject to any agreement wherein the Account Debtor may claim a deduction or discount except in the ordinary course of business or as shown on the list of Accounts Receivable furnished the Bank; (5) are owned by the Borrower and the Borrower shall have the right to subject such Contract right to the security interest of the Bank; (6) will not be sold, assigned or transferred to any person other than the Bank or in any other way encumbered and the Borrower will defend same against any person claiming an interest in such Contract Right adverse to the interest of the Bank.

(d) Any General Intangibles subject to the security interests of the Bank: (1) is free and clear from setoffs or counterclaims and is not subject to any lien other than the security interest granted hereunder; (2) are owned by the Borrower and the Borrower shall have the right to subject such General Intangible to the security interest of the Bank; (3) will not be sold, assigned or transferred to any person other than the Bank or in any other way encumbered and the Borrower will defend same against any person claiming an interest in such General Intangible adverse to the interest of the Bank.

(e) Except for the security interest granted hereunder, the Borrower is and as to Inventory acquired after date hereof, shall be the owners of such Inventory free from any lien, security interest or encumbrance and the Borrower shall defend the Inventory and proceeds and products thereof against any person claiming an interest in such Inventory adverse to the interest of the Bank.

(f) The Borrower has or will acquire, full and clear title to the Equipment owned by Borrower, and will, at all times, keep the Equipment free from any adverse lien, security interest or encumbrance, except as set forth in the Loan Agreement.

(g) The Borrower will give the Bank written notice of each office of the Borrower at which records of the Borrower relative to Accounts Receivable and Contract Rights are kept. Except where such notice is given, all records of the borrower relative to Accounts Receivable and Contract Rights are and will be kept at the address of the Borrower appearing in the Loan Agreement.

(h) The Borrower will give the Bank, at the Bank's request, written notice of each location at which Inventory is or will be kept at all times. Except where such notice is given and except for Inventory being processed through suppliers, all Inventory is and shall be kept at the address of the Borrower appearing at the beginning of this Agreement and as shown on Schedule 1 or as otherwise shown on written notice delivered to Bank.

(i) Except in the ordinary course of Borrower's business, the Equipment will be kept at the address of the Borrower set out above, which in the case of a business is the address of the principal office of such business within this state or as shown on Schedule 1 or as otherwise shown on written notice delivered to the Bank. At the request of the Bank, the Borrower shall deliver to the Bank all certificates of title or similar certificates evidencing ownership of the Equipment issued by any jurisdiction with the lien of the Banks duly noted thereon.

(j) Each representation and warranty of the Borrower contained in Paragraph 1 of the Loan Agreement is true and correct.

4. COVENANTS OF THE BORROWER.

(a) The Borrower agrees to do such reasonable acts and things and deliver or cause to be delivered such other documents as the Bank may deem necessary to establish and maintain a valid security interest in the Collateral (free of all other liens and claims) to secure the payment of the Liabilities. Borrower authorized Bank, at the expense of the Borrower, to execute and file a financing statement or statements on its behalf in those public offices deemed advisable or necessary by the Bank to protect the security interests of the Bank herein granted.

(b) Monthly, within thirty (30) days after the end of each month, the Borrower will, from time to time, as the Bank may reasonably request, deliver to the Bank a schedule identifying each Account Receivable (not previously identified) ("Schedule of Accounts"), together with such schedules and certificates and reports relative to all or any of the Collateral and the items or amounts received by the Borrower in full or partial payment or otherwise, as proceeds of any of the Collateral. Each Schedule of Accounts or other schedule, certificate or report shall be executed by its duly authorized officer and shall be in the form specified by the Bank. Any Schedule of Accounts identifying any Account Receivable shall be accomplished, if the Bank requests, by a true and correct copy of the invoice evidencing such Account Receivable and by evidence of shipment or performance.

(c) On demand, Borrower agrees that whenever Borrower obtains possession (by return, repossession or otherwise) of any goods, the sale or lease of which shall have given rise to any of the Collateral, it will (unless the Bank shall otherwise consent in writing) segregate, label and hold such goods as subject to the security interest of the Bank hereunder, and will, at its own expense, dispose of such goods in such manner as the Bank may from time to time direct.

(d) Borrower will keep the Equipment in good order and repair and will not waste or destroy the Equipment or any portion thereof. Borrower will not use the Equipment in violation of any statute or ordinance or any policy of insurance thereon and the Bank may examine and inspect such Equipment at any reasonable time or times wherever located. No financing statement covering all or any portion of the Collateral is on file and remains unreleased in any public office other than in favor of the Bank, except as described in Schedule 1 to the Loan Agreement.

(e) The Borrower:

(i) may, in the ordinary course of business, at its own expense, sell, lease or furnish under contracts of service, any of the Inventory normally held by the Borrower for such purpose (a sale in the ordinary course of business does not include a transfer in total or partial satisfaction of a debt), and use and consume, in the ordinary course of business, any raw materials, work in process or materials normally held by it for such purpose;

(ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any Collateral including the taking of such action with respect to such collection as the Bank may reasonably request or, in the absence of such request, as the Borrower may deem advisable;

(iii) may grant, in the ordinary course of business, to any Account Debtor, any rebate, refund or adjustment to which such Account Debtor may be lawfully entitled and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to the obligation of the Account Debtor.

(f) Borrower shall have and maintain at all times with respect to Inventory and Equipment insurance covering risks customarily insured against by companies engaged in business similar to that of the Borrower in reasonable amounts, containing such terms, in such form for such periods and written by companies acceptable to the Bank. Such insurance shall name the Bank as an insured pursuant to standard policy endorsements. The insurance certificates evidencing the Borrower's compliance with the above shall be deposited with the Bank and in the event the Borrower fails to file and maintain such insurance, the Bank may, at its option, purchase such insurance and the cost of such insurance shall become a Liability of the Borrower in favor of the Bank.

(g) On demand, after an Event of Default as defined in the Loan Agreement, the Borrower:

(i) will upon receipt of all checks, drafts, cash and other remittances in payment of Accounts Receivable of the Borrower, deposit same in a special collateral account ("Collateral Account") maintained with the Bank. Such proceeds shall be deposited in the form received except for the endorsement of the Borrower where required, which endorsement the Bank is authorized to make on the Borrower's behalf and shall be held by the Bank as security for all Liabilities of the Borrower in favor of the Bank;

(ii) agrees that prior to the time of any deposit, it will keep segregated any such checks, drafts, cash or other remittances in trust for the benefit of the Bank until deposited in the Collateral Account with the Bank. The Bank will, at least once each week, unless otherwise agreed to in writing by the Borrower and the Bank, apply all or any portion of the funds on deposit in the Collateral Account, against the principal and/or any other liabilities of the Borrower in favor of the Bank, the order of application to be at the discretion of the Bank;

(iii) agrees that the Bank may notify any Account Debtor to make payment directly to the Bank for the benefit of the Bank of any amounts due or to become due and enforce the collection of any Accounts Receivable or Contract Right by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for a period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby;

(iv) will note the security interest of the Bank on all records relative to the Collateral including, without limitation, any invoice which evidences an Account Receivable.

(h) The Borrower shall at all reasonable times allow the Bank, its officers, attorneys, and accountants to examine, inspect or make abstracts from the Borrower's books and records and to verify returned and repossessed goods, if any, and to arrange for verification of Accounts Receivable, under reasonable procedures, directly with the Account Debtors or by other methods, and shall furnish to the Bank upon request additional Schedules of Accounts, together with all notes or other papers evidencing the same any guaranty, securities or other information relating thereto; and shall do, make and deliver all such additional and further acts, things, deeds, assurances and instruments as the Bank may require.

5. POWER TO SELL OR COLLECT COLLATERAL. Upon the occurrence of any Event of Default and at any time thereafter (such default not having previously been cured) the Bank shall have, in addition to all other rights and remedies, the remedies of a secured party under the Uniform Commercial Code (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) including, without limitation, the right to take possession of the Collateral, and for that purpose the Bank may, so far as the Borrower can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Bank shall give to the Borrower at least ten (10) days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made.

The Bank may at any time in its discretion transfer any securities or other property constituting Collateral into its own name or that of its nominee and receive the income thereon and hold the same as security for Liabilities or apply it on principal or interest due on Liabilities. Insofar as Collateral shall consist of Accounts Receivable, insurance policies, instruments, chattel paper, choses in action or the like, the Bank may demand, collect receipt for, settle, compromise, adjust, sue for, foreclose or realize upon Collateral as the Bank may determine, whether or not Liabilities or Collateral are then due and for the purpose of realizing the Bank's rights therein, the Bank may receive, open and dispose of mail addressed to the Borrower and endorse notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage or any form of Collateral on behalf of and in the name of the Borrower.

6. DEPOSITS. Any and all deposits or other sums at any time credited by or due from the Bank to the Borrower shall at all times constitute security for any and all Liabilities and the Bank may apply or set off such deposits or other sums against Liabilities at any time in the Event of Default whether or not the Liabilities are then due or other Collateral is considered by the Bank to be adequate.

7. WAIVERS. The Borrower waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both Liabilities and Collateral, the Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange, or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank shall have no duty as to the collection or protection of the Collateral, or any income therefrom, nor as to the preservation of rights against prior parties nor as the preservation of any rights pertaining thereto beyond the safe custody thereof. The Bank may exercise its rights with respect to Collateral without resorting or regard to other Collateral or sources or reimbursement for Liability. The Bank shall not be deemed to have waived any of these rights upon or under Liabilities or Collateral unless such waiver be in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to the exercise of any right on any future occasion. All rights and remedies of the Bank as to the Liabilities or Collateral whether evidenced hereby or by any other instrument or papers

shall be cumulative and may be exercised singularly or concurrently.

8. EXPENSES, PROCEEDS OF COLLATERAL. The Borrower shall pay to the Bank on demand any and all expenses, including reasonable attorneys' fees, incurred or paid by the the Bank in protecting or enforcing its rights upon or under Liabilities or Collateral. After deducting all of said expenses the residue of any proceeds of collection or sale of Liabilities or Collateral shall be applied to the payment of principal or interest on Liabilities in such order of preference as the Bank may determine, proper allowance for interest on Liabilities not then due being made, and any excess shall be returned to the Borrower and the Borrower shall remain liable for any deficiency.

9. GENERAL. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the Uniform Commercial Code and other applicable laws of the State of Indiana. Whenever possible each provision of this Agreement shall be interpreted in such a 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 only to the extent of such prohibition without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of the Bank shall inure to the benefit of its respective successors and assigns.

THE INDIANA DINNER TRAIN COMPANY

By: Thomas G. Hoback
Its President & CEO

STATE OF INDIANA)

)SS:

COUNTY OF MARION)

On this 9th day of MARCH, 1990, before me personally appeared THOMAS G. HOBACK, to me personally known, who being by me duly sworn, says that he is the PRESIDENT & CEO of The Indiana Dinner Train Company, 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.

WITNESS my hand and Notarial Seal this 9th day of ~~February~~ MARCH, 1990.

Jacqueline A. Mechling
Notary Public
JACQUELINE A. MECHLING
Notary Public-Printed Signature

My Commission Expires:
OCTOBER 1, 1990

County of Residence:
HAMILTON



EXHIBIT B

PROPERTY LISTING

LOCOMOTIVES:

<u>Power Type</u>	<u>Serial Number</u>	<u>Year Built</u>	<u>Horse Power</u>	<u>Use</u>	<u>Insured Replacement Values</u>
CF-7	200	1974	1500	Road	\$ 100,000
CF-7	201	1973	1500	Road	100,000
CF-7	2515	1974	1500	Road	100,000
CF-7	2528	1974	1500	Road	100,000
CF-7	2532	1974	1500	Road	100,000
CF-7	2543	1973	1500	Road	100,000
CF-7	2551	1973	1500	Road	100,000
CF-7	2506	1973	1500	Road	100,000
GP9	300	1957	1750	Road	100,000
SD-18	7307	1964	1800	Road	150,000
SD-18	7308	1964	1800	Road	150,000
SD-18	7309	1964	1800	Road	150,000
SD-18	7310	1964	1800	Road	150,000
CF-7	2485	1974	1500	Road	150,000
CF-7	2617	1975	1500	Road scrap (parts only) (moth balled) inoperative.	
				Road scrap (parts only) (moth balled) inoperative.	
TOTAL					<u>\$1,550,000</u>

4822B

ROLLING STOCK

<u>Qty</u>	<u>Car Type</u>
2	Caboose
1	Flat
1	Twin Car Diner (kitchen car & dining car)
5	Private Passenger Cars (leased cars)
1	Sand Storage Car
1	Business Car
1	Business Power Car
1	Lounge Car

Hiway/Rail Maintenance-of-Way Equip.

1	Ballast Regulator, Kershaw
1	Bolt Machine
1	Boom Truck, 5 Ton
1	Brush Cutter, on Line 26-2-26
1	Burro Crane, Model 15
1	Burro Crane, Model 30
1	Flat Car
1	Gradall, Hi-Rail
1	Inspect Truck
2	Pickup, 3/4 ton Hi-Rail
1	Plate Placer, Nordberg
1	Scarifier, Tie Bed
1	Spike Puller, Fairmont
1	Tamper, Camron Auto Tamper/Liner
1	Tamper, Torsion Beam
1	Tie Zapper