Lebanon Bank

1-038A012

17216

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INTERSTATE COMMERCE COMMISSION

January 23, 1991

Interstate Commerce Commission
Attn: Mildred Lee
Twelfths & Constitution Ave., N.W., Room 2303
Washington, D.C. 20423

Dear Ms. Lee:

Per your instructions, I have enclosed the original Security Agreement and a notarized copy of the Security Agreement representing documentation to secure a loan we have made to Nashville & Eastern Railroad Corporation located at 205 South Maple, Lebanon, Tn. 37087. We have taken as collateral to secure the loan eight locomotives and seven passenger cars. The locomotive & passenger car numbers are reflected below:

1) Four 6 axle alco locomotives: 1852, 1853, 1850, 1851.
2) Four 4 axle GE U30B locomotives: 5348, 5338, 5339, 5328.
3) Seven passenger cars: 24, 401, 402, 405, 406, 409, 412.

A $15.00 check is enclosed for recording costs. If you have any questions, please contact me at (615) 444-2743. My address is First Tennessee Bank, 249 West Main St., Lebanon, TN 37087.

Sincerely,

Greer Carlisle

Greer Carlisle
Senior Vice President

Enclosure

GC:tk

FEB 7 10 35 AM '91

P.O. BOX 370 • Lebanon, Tennessee 37087 • (615) 444-2743

Interstate Commerce Commission

Washington, D.C. 20423

2/11/91

OFFICE OF THE SECRETARY

Greer Carlisle

Senior Vice President

Lebanon Bank

P.O.Box 370

Lebanon Tennessee 37087

Dear Sir:

The enclosed dcoument(s) was recorded pursuant to the provisions of Section 11303 of the Insterstate Commerce Act, 49 U.S.C. 11303, on 2/7/91 at 10:40am , and assigned recordation number(s). 17216

Sincerely yours,

Sidney L. Strickland, Jr.

Sidney L. Strickland, Jr.
Secretary

FIRST TENNESSEE

STATE OF TENNESSEE

UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code

Debtor(s) (Last Name First) and address(es)	Secured Party(ies) and address(es)	Maturity date (if any) For Filing Officer (Date, Time, Number, and Filing Office)
Nashville & Eastern Railroad Corporation 205 South Maple Lebanon, TN 37087	First Tennessee Bank National Association 249 West Main Street Lebanon, TN 37087 ATTN: Greer Carlisle	172216 FEB 7 1991 10 40 AM INTERSTATE COMMERCE COMMISSION

☐ This financing statement covers the following types (or items) of property

Four 6 axle Alco Locomotives: numbers 1852, 1853, 1850, 1851.
Four 4 axle GE U30B Locomotives 3000 H.P.: numbers 5348, 5338, 5339, 5328.
Seven passenger cars: numbers 24, 401, 402, 405, 406, 409, 412 as further described in the attached Exhibit I.

☐ This financing statement covers all of Debtor's inventory, equipment, accounts and general intangibles, whether now owned or hereafter acquired, together with all replacements thereof and all accessories, attachments and accessions now or hereafter attached or appertaining thereto or used in connection therewith

The maximum principal indebtedness for Tennessee recording tax purposes is $ 225,000.00

☒ Proceeds of Collateral are also covered ☒ Products of Collateral are also covered Number of additional Papers presented _____

Filed with ☐ County of _____ Filed with ☒ State of ICC

Nashville & Eastern Railroad Corporation — First Tennessee Bank National Association

By Henry G. HoHorst, Chairman — By _____

Signature(s) of Debtor(s) — Signature(s) of Secured Party(ies)

SECURITY AGREEMENT

Nashville & Eastern Railroad Corporation (Debtor) of 205 South Maple (Street Address) in the City of Lebanon

County of Wilson and State of Tennessee (hereinafter called the "Debtor"), hereby grants to the above named bank (hereinafter called the "Bank") at the above named address, a security interest in the above described property together with all inventory, equipment, accounts and general intangibles, whether now owned or hereafter acquired by Debtor or replacements thereof and all accessories, attachments and accessions now or hereafter attached or appertaining thereto or used in connection therewith (hereinafter called Collateral) to secure payment of the Debtor's note or notes of even date herewith and any and all extensions or renewals thereof in whole or in part and also any other indebtedness or liabilities now existing or hereafter arising, due or to become due, absolute or contingent, and whether several, joint, or joint and several, of the Debtor to Bank

The Debtor warrants and agrees

1. To pay the Bank all amounts payable on the note mentioned above and all other notes held by Bank as and when the same shall be due and payable, whether at maturity by acceleration or otherwise, and to perform all terms of said notes and this or any other security agreement or loan agreement between Debtor and Bank and to discharge all said liabilities
2. To defend the collateral against the claims and demands of all persons
3. Except for the security interest granted hereby, the Debtor is the owner of the collateral free from any liens, security interest, encumbrance or other right, title or interest of any other person, firm or corporation
4. The collateral is or is used or bought for use, and will be used, primarily for (check one)
   ☐ PERSONAL, FAMILY OR HOUSEHOLD PURPOSES, and the Debtor's residence is that shown at the beginning of this agreement unless a different residence is shown in the following space _____
   ☐ FARM PRODUCTS OR FARMING OPERATIONS, and the Debtor's residence is that shown at the beginning of this agreement unless a different residence is shown in the following space _____
   ☒ BUSINESS USE, and the Debtor's chief place of business is that shown at the beginning of this agreement unless a different address is shown in the following space _____
5. Unless a "No" is inserted in the space at the end of this paragraph, the Debtor is acquiring ownership of the collateral from the proceeds of the loan evidenced hereby and by the Debtor's note above referred to, and Bank has been and is authorized to disburse the proceeds of the loan directly to, or the Debtor will remit such proceeds directly to, the seller of the collateral _____
6. The collateral will be kept at the address shown at the beginning of this agreement unless a different address is shown in the following space 110 West Front Street, Milam, TN 38358

Executed by the Debtor, this 18th day of January, 19 91

Nashville & Eastern Railroad Corporation
Henry G. HoHorst, Chairman
William J. Drunsic, President
Debtor

75-152-08 (Rev 2/89)

SECURITY AGREEMENT CONTINUED ON REVERSE SIDE

®Registered Service Mark owned and licensed by First Tennessee National Corporation First Tennessee Bank National Association Member FDIC

(4) BANK COPY

7 If the collateral is farm products or used in farming operations OR is to be attached to, installed in or located on real estate in such manner as to become fixtures, the description of the real estate and the name and address of the owner are as follows _____
and the Debtor will upon demand by Bank furnish a disclaimer or disclaimers, signed by all of the persons having an interest in said real estate, of any right, title, interest or lien upon the collateral prior to the security interest of the Bank pursuant hereto

8 If the collateral is farm products or is used in farming operations, Debtor will keep the collateral in good condition and in an unmanufactured state, attend to and care for the collateral, do all other acts which may be necessary to raise and fatten the livestock and to grow, cultivate, spray, irrigate, cut, harvest, pick, clean, preserve and protect the crops and farms products, all according to the most approved methods of farming and husbandry, prepare the collateral for market and when it is ready for market promptly notify the Bank of this fact, follow Bank's instructions with reference to holding, shipping, storing and marketing the collateral, keep the farm above described free of noxious weeds and grasses; maintain the present buildings and improvements on said farm in good condition and repair, give Bank prompt notice of any damage to the collateral or to said farm, and permit Bank to enter upon the farm at reasonable times for the purpose of examining the collateral and the land, buildings and improvements.

9 The Debtor will not sell or offer or attempt to sell the collateral or any substitutions or accessions, or any interest therein, and will not create or permit to exist any other security interest in or other encumbrance upon the collateral without the prior written consent of Bank There is no financing statement now on file in any public office covering any property of any kind now or hereafter owned by the Debtor or in which Debtor is named as or signs as the Debtor, except the financing statement filed or to be filed in respect of and for the security interest provided for herein and the following

10 Any one of the following shall constitute an event of default for the purposes hereof (a) if the Debtor uses the collateral in violation of any statute or ordinance, or (b) if the Debtor fails to pay promptly when due all taxes and assessments upon the collateral and for its use or operation, or fails to keep the collateral in good repair, or fails to keep the collateral insured (with an insurance company or companies acceptable to Bank and with loss payable to Bank as its interest may appear) at all times against fire (with extended coverage), theft, physical damage and such other risks, and in such amounts for all risks, as Bank shall require, all of which matters, and things referred to in this clause (b) the Debtor hereby warrants and agrees to do and perform, or (c) if default is made in the due and punctual payment in full of any indebtedness secured hereby when and as any part of such indebtedness shall become due and payable, or (d) if default is made by the Debtor in the performance or observance of any covenant or agreement provided herein to be performed or observed by the Debtor, or (e) if any warranty, representation or statement made or furnished to Bank by or on behalf of the Debtor in connection with this agreement proves to have been false in any material respect when made or furnished, or (f) if the collateral suffers substantial damage or destruction; or (g) if the collateral is levied or seized under any levy or attachment or under any other legal process, or (h) the death, incompetence, dissolution or termination of existence of the Debtor or (i) the commencement of any bankruptcy or insolvency proceedings by or against the Debtor or any guarantor or surety for the Debtor.

11. Debtor agrees that upon the occurrence of any of the events of default set forth in paragraph 10 hereof, the full amount remaining unpaid on the indebtedness secured hereby shall at the option of Bank, without notice or demand, the same being hereby expressly waived, be and become due and payable forthwith, and Bank shall then have the rights, options, duties and remedies of a secured party under, and the Debtor shall have the rights and duties of a Debtor under, the Uniform Commercial Code, including without limitation the right in Bank to take possession of the collateral and of anything found therein, and the right for that purpose without legal process to enter any premises where the collateral may be found, provided such entry shall be done lawfully, and Debtor further agrees in any such case to deliver the collateral to Bank at a place to be designated by Bank. Any requirement of said Code of reasonable notification of the time and place of any public sale, or of the time after which any private sale or other intended disposition is to be made, shall be met by giving the Debtor at least 5 days prior written notice of the time and place of any public sale or the time after which any private sale or any other intended disposition is to be made The Debtor shall be and remain liable for any deficiency remaining after applying the proceeds of disposition of the collateral first to the reasonable expenses of retaking, holding, preparing for sale, selling and the like, including the reasonable attorneys' fees and legal expenses incurred by Bank in connection therewith, and then to the satisfaction of the indebtedness secured hereunder.

12 Bank may, in the event of default by the Debtor in so doing, obtain insurance, pay taxes, liens or encumbrances, or order and pay for repairs, and all amounts expended by Bank shall, with interest thereon at ten percent (10%) or the maximum lawful contract rate for written contracts, whichever is greater, constitute indebtedness of the Debtor secured hereby and be payable forthwith, but no such act or expenditure by Bank shall relieve the Debtor from the consequence of such default.

13 No warranties, express or implied, and no representations, promises or statements have been made by Bank unless endorsed hereon in writing The Debtor hereby waives the benefit of any exemption or Homestead statutes now or hereafter in force Any provisions of this agreement prohibited by the law of any state shall, as to said state, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

14 This agreement and all rights and liabilities hereunder and in and to any and all collateral shall inure to the benefit of Bank and its successors and assigns, and shall be binding upon the Debtor and his, her, its or their heirs, legal representatives, successors and assigns. All terms used herein which are defined in the Uniform Commercial Code shall have the same meaning herein as in the Code

15. Proceeds and products of the collateral are claimed by Bank but this shall not constitute a consent by the Bank of sale by Debtor of any part of the collateral without written permission of the Bank

16 Debtor acknowledges that this agreement is and shall be effective upon execution by the Debtor and delivery hereof to Bank, and it shall not be necessary for Bank to execute any acceptance hereof or otherwise to signify or express its acceptance hereof To the minimum extent permitted by the Constitution and Laws of the state of Tennessee and the United States of America, Debtor(s) expressly waive(s) Debtor's Constitutional right, if any, to a pre-seizure hearing following default

17 Debtor hereby agrees that a carbon, photographic or other reproduction of this Security Agreement and/or the accompanying Financing Statement, if any, shall be sufficient as a financing statement for filing purposes.

18 **Each of the parties hereby waives trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matter whatsoever arising out of or in any way connected with this agreement or under any amendment, instrument, document or agreement delivered (or which may be delivered in the future) in connection herewith or arising from any banking relationship between the parties to this agreement.**