



# Heritage Pullman Bank

1000 East 111th Street, Chicago, Ill. 60628  
Member F.D.I.C., Call (312) 785-1000

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INTERSTATE COMMERCE COMMISSION

April 17, 1991

Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement (equipment), a primary document, dated April 17, 1991.

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

Manufacturers' Junction Railway Company  
("Debtor" and Assignor)  
2738 East 104th Street  
Chicago, Illinois 60617

Heritage Pullman Bank and Trust Company  
("Bank" and Assignee)  
1000 East 111th Street  
Chicago, Illinois 60628

A description of the equipment covered by the document follows:

One (1) General Motors EMD Division, general purpose Model GP-7 locomotive, with insignia "NYC 613", built in 1949. (former New York Central unit 613); and

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One (1) General Motors EMD Division, general purpose Model GP-7 locomotive, with insignia "NYC 617", built in 1949. (former New York Central unit 617); and

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for the recordation to:

Heritage Pullman Bank and Trust Company  
1000 East 111th Street  
Chicago, Illinois 60628  
Attn: Donald Krueger, Vice President

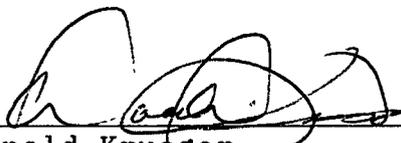
A short summary of the document to appear in the index follows:

Security Agreement (Equipment) between Manufacturers' Junction Railway, 2738 East 104th Street, Chicago, Illinois 60617 (debtor) and Heritage Pullman Bank And Trust Company, 1000 East 111th Street, Chicago, Illinois 60628 (bank), dated April 17, 1991, and covering five (5) General Motors EMD Division locomotives, Model GP-7.

Very truly yours,

HERITAGE PULLMAN BANK AND TRUST COMPANY

By:

  
\_\_\_\_\_  
Donald Krueger  
Vice President

DK:mm

17293

# Heritage Pullman Bank

APR 30 1991 -1 30 PM  
INTERSTATE COMMERCE COMMISSION

## SECURITY AGREEMENT (Equipment)

This Agreement is made this 17th day of April, 19 91, between **HERITAGE PULLMAN BANK AND TRUST COMPANY** ("Bank") and MANUFACTURERS' JUNCTION RAILWAY CO. ("Debtor").

**WHEREAS**, the Debtor has requested or may from time to time in the future request loans or advances from the Bank;  
**WHEREAS**, the Bank has agreed to extend credit to Debtor under certain terms and conditions set forth in a note dated April 17, 19 91 ("Promissory Note"); and  
**WHEREAS**, this Agreement is made in consideration of and as security for any loan or extension of credit contemporaneously or hereafter made to the Debtor by Bank; now  
**THEREFORE**, the parties agree as follows:

### I. OBLIGATION

The security interest under this Agreement secures the payment of all obligations of Debtor to Bank under the Promissory Note, any other note, all obligations of Debtor designated as a Liability hereunder and all other obligations of Debtor to Bank howsoever created or arising now existing or hereafter created or arising between Bank and the Debtor ("Liabilities") The Bank has all the rights with respect to the Collateral (defined below) as set forth in this Agreement

### II. GRANT OF SECURITY INTEREST

As security for the Liabilities the Debtor hereby assigns to Bank and grants to Bank a continuing security interest in the following and all additions, attachments and accessions thereto and replacements thereof and all proceeds therefrom including insurance proceeds ("Collateral")

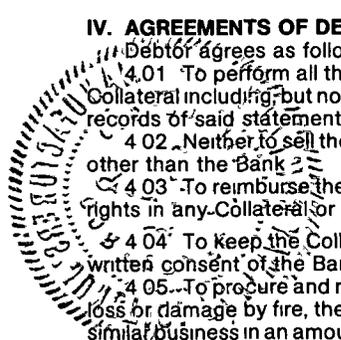
See Exhibit "A"

### III. WARRANTIES OF DEBTOR

- 3 01 If the Debtor is a corporation, it is duly organized and existing under the laws of \_\_\_\_\_ and is duly qualified and in good standing in every other state in which it is doing business
- 3 02 If the Debtor is a corporation, the execution, delivery and performance hereof are within the Debtor's corporate powers, have been duly authorized, and are not in contravention of law or the terms of the Debtor's charter, by-laws or other incorporation papers, or of any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound
- 3 03 No financing statement with respect to any of the Collateral other than the one filed on behalf of the Bank is on file in any public office
- 3 04 Except as disclosed to the Bank, Debtor utilizes no tradenames, has not changed its name, been the surviving entity in a merger, or acquired any business
- 3 05 Debtor is the lawful owner of the Collateral hereunder, free of all liens and claims with full power and authority to execute this Agreement and perform all of the Debtor's obligations hereunder
- 3 06 The Collateral is not and shall not be attached to any real estate
- 3 07 The Collateral is not a fixture under any mortgage, lease, or indenture

### IV. AGREEMENTS OF DEBTOR

- Debtor agrees as follows
- 4 01 To perform all the acts requested by the Bank which the Bank deems necessary to maintain a valid, perfected security interest in the Collateral including, but not limited to, executing such financing statements and documents as the Bank shall request. All payments for the filing of records of said statements or documents in all public offices designated by the Bank shall be a Liability hereunder.
  - 4 02 Neither to sell the Collateral nor to sell, assign, create, or permit to exist a security interest or lien in the Collateral to or in favor of anyone other than the Bank
  - 4 03 To reimburse the Bank for all expenses (including reasonable attorneys' fees) incurred by the Bank in seeking to collect or enforce any rights in any Collateral or any other right under this Agreement. All such expenses shall be a Liability hereunder
  - 4 04 To keep the Collateral at \_\_\_\_\_ and at no other address without the written consent of the Bank
  - 4 05 To procure and maintain at its own cost and expense insurance covering the Collateral at its full insurable value at all times against any loss or damage by fire, theft, explosion, sprinklers, and all other hazards ordinarily insured against by other owners or users of such property or similar business in an amount and form acceptable to the Bank. The insurance policies shall be endorsed to make the same payable to the Bank. If any insurance losses be paid by check, draft or other instrument payable to Debtor or to Debtor and the Bank jointly, the Bank is appointed attorney in fact for Debtor with power to indorse the name of Debtor thereon and do such other things as the Bank may deem desirable in order to reduce the same to cash. All loss recoveries received by the Bank upon any such insurance may be applied and credited by the Bank at its discretion to the Liabilities. The policies shall provide that the insurance company will give the Bank at least 30 days written notice before any such policy shall be altered or cancelled. In the event of termination of or failure to provide this insurance the Bank may, at its option, provide such insurance and charge all payments therefore as a Liability hereunder
  - 4 06 Not to change its name or principal place of business except upon thirty days prior written notice to the Bank
  - 4 07 To keep the Collateral in good order and repair and prevent waste or destruction of the Collateral or any part thereof. Debtor will not use or permit anyone to use the Collateral in violation of any statute, ordinance, state or federal regulation
  - 4 08 To permit the Bank to examine and inspect the Collateral at any time
  - 4 09 To pay promptly when due all taxes and assessments upon the Collateral or for its use or operation



**V. DEFAULT**

5 01 Upon the happening of any one of the events enumerated in Section 5 02 hereunder ("events of default"), the Bank may, at its sole option, immediately declare the Liabilities of the Debtor to the Bank due and payable and, without notice unless required by law, proceed to enforce payment of said Liabilities and exercise any and all of the rights and remedies available to a secured party under the Uniform Commercial Code as adopted in the State of Illinois ("Illinois UCC") or under this Agreement, including, but not limited to, the right to sell, lease or otherwise dispose of the Collateral at a public or private sale or take possession thereof or render it unuseable and for that purpose the Bank may enter upon any premises of the Debtor and remove the Collateral. Bank may require Debtor to assemble the Collateral and at Debtor's expense make it available to Bank at a location reasonably convenient to both parties. At any sale, Bank may, if it be the highest bidder, purchase any part or all of the Collateral so sold free from any right of redemption which is hereby waived by Debtor. Any notification of intended disposition of any of the Collateral shall be deemed reasonable if mailed to Debtor by United States Mail, postage pre-paid, ten days prior to the taking of any action. Any proceeds of any disposition by the Bank of any of the Collateral may be applied by the Bank toward the payment of expenses (including reasonable attorneys' fees) in connection with the collection of Liabilities or enforcement of Collateral. The balance of the proceeds may be applied by the Bank toward the payment of Liabilities in such order of application as the Bank may elect. Debtor is entitled to any surplus and liable to the Bank for any deficiency arising from a default and enforcement of rights on any Collateral. At any sale the Bank may pay by set-off against the Liabilities instead of actual cash.

5 02 The events of default shall include (a) any representation or warranty made by Debtor shall prove to have been incorrect in any material respect or shall have been breached, (b) failure in the performance of any term herein which shall remain unremedied for 15 days after written notice thereof shall have been given to Debtor by the Bank or such default shall have become known to Debtor, (c) loss, theft, damage, destruction, sale or encumbrance of any Collateral or the making of any levy, seizure or attachment thereof, or (d) occurrence of any event of default set forth in the Promissory Note, any note evidencing any Liability or in the Loan Agreement, if any.

**VI. GENERAL TERMS**

6 01 All notices, requests and demands shall be given to or made upon the respective parties hereto as follows:

Debtor Manufacturers' Junction Railway Co.  
2728 East 104th Street  
Chicago, Illinois 60617  
Attn Mr. Robert Smith

Bank **HERITAGE PULLMAN BANK AND TRUST COMPANY**  
1000 East 111th Street, Chicago, Illinois 60628

Attn Commercial Lending Department

or at such other address, as to any party hereto, as such party shall designate in a written notice to each other party hereto. Notice is effective upon mailing by certified mail, first-class postage prepaid, or by personal delivery.

6 02 At its option, Bank may discharge taxes, liens, security interests or any other encumbrance at any time levied or placed on the Collateral and in addition, Bank may pay any sums necessary for the maintenance and preservation of the Collateral. In the event that Bank does expend monies under this Section, it shall add these expenditures to the Liabilities hereunder.

6 03 No failure on the part of Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver hereof, nor shall any single or partial exercise by the Bank of any right hereunder preclude any other or further exercise hereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

6 04 All representations and warranties made herein shall survive any disbursement of funds and the execution of this Agreement.

6 05 This Agreement shall be deemed to be a contract made under the laws of the State of Illinois and shall be construed in accordance with the laws of said State.

6 06 This Agreement shall be binding upon and shall inure to the benefit of Debtor and the Bank and their respective successors and assigns. Debtor shall not assign this Agreement without the written consent of the Bank.

6 07 The invalidity or unenforceability of any portion(s) of this Agreement shall not effect the remainder of this Agreement.

6 08 If more than one Debtor signs this Agreement, the Collateral of that Debtor shall secure all of its Liabilities be they joint, separate or both. Such Collateral shall not secure the separate Liabilities of the other Debtor(s).

**VII. SPECIAL PROVISIONS\***

NONE



The parties hereto have caused this Agreement to be duly executed all as of the day and year first above written.

**HERITAGE PULLMAN BANK AND TRUST COMPANY**

**MANUFACTURERS' JUNCTION RAILWAY CO.**

By: [Signature]  
Vice President

By: [Signature]  
President  
[Signature]  
Secretary

\* If none, insert "NONE"

EXHIBIT "A"

One (1) General Motors EMD Division, general purpose Model GP-7 locomotive, with insignia "NYC 613", built in 1949, (former New York, Central Unit 613); and

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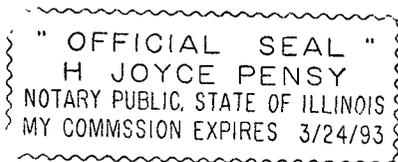
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One (1) General Motors EMD Division, general purpose Model GP-7 locomotive, with insignia "NYC 617", built in 1949, (former New York Central unit 617).

State of Illinois

County of Cook, ss:

On this 17th day of April, 1991 before me personally appeared Donald Krueger, to me personally known, who being by me duly sworn, says that he is the Vice President of Heritage Pullman Bank and Trust 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.



[SEAL]

H. Joyce Pensy  
Signature of Notary Public

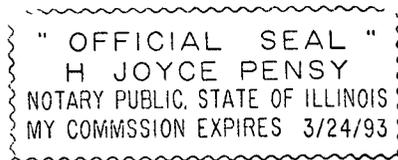
My Commission expires 3/24/93

State of Illinois

County of Cook, ss:

On this 17th day of April, 1991 before me personally appeared Robert E. Smith and Lawrence J. Looby, to me personally known, who being by me duly sworn, say that they are the President and Secretary, respectively, of Manufacturers' Junction Railway Co., 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]



H. Joyce Pensy  
Signature of Notary Public

My Commission expires 3/24/93