

# OSTER

## Researching Services

12897 Colonial Dr • Mt Airy, Md 21771  
301-253-6040

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INTERSTATE COMMERCE COMMISSION

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SECRETARY

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INTERSTATE COMMERCE COMMISSION

October 4, 1993

Ms. Mildred Lee  
Recordations Unit  
Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Ms. Lee:

Enclosed are the following documents for filing with the Interstate Commerce Commission:

- Security Agreement dated 9/28/93  
Secured Party: Caterpillar Financial Services Corporation  
3322 West End Avenue  
Nashville, TN 37203-0990  
Debtor: Peoria & Pekin Union Railway Co.  
101 Wesley Road  
Creve Coeur, IL 61611  
Equipment: 1, PL1500 Locomotive (#2WK00038)
- A Promissory Note dated 9/28/93  
Secured Party: Caterpillar Financial Services Corporation  
Debtor: Peoria & Pekin Union Railway Co.
- B Subordination Agreement dated 9/28/93  
Creditor: First of America Bank - Illinois, N.A.  
Secured Party: Caterpillar Financial Services Corporation

The filing fee of \$54 is enclosed. Thank you for your assistance.

Sincerely,

*Mary Ann Oster*

Mary Ann Oster  
Research Consultant

Enclosures

*Completed by Mary Ann Oster*

**Interstate Commerce Commission**  
Washington, D.C. 20423

10/4/93

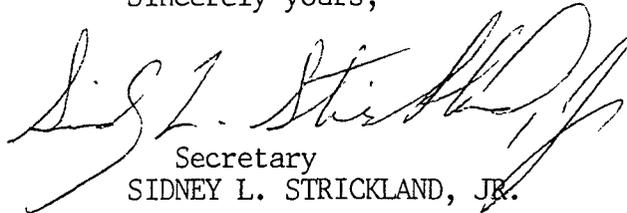
OFFICE OF THE SECRETARY

Mary Ann Oster  
Oster Researching Services  
12897 Colonial Drive  
Mt. Airy MD. 21771

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 **10/4/93** at **10:05am**, and assigned recordation number(s). **18425, 18425-A, 18425-B & 18425-C**

Sincerely yours,

  
Secretary  
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

18425  
COMMERCIAL FILE # 408

OCT 4 1993 - 10 02 AM

INTERSTATE COMMERCE COMMISSION

**SECURITY AGREEMENT**

This Agreement made and entered this \_\_\_\_\_ day of SEP 28 1993,  
\_\_\_\_\_ by and between:

Peoria and Pekin Union Railway Company  
101 Wesley Road  
Creve Coeur, IL 61611

("Debtor")

and

**Caterpillar Financial Services Corporation**  
3322 West End Avenue  
Nashville, TN 37203-0990

("Company")

1. Grant of Security Interest. Debtor hereby grants to Company a first priority continuing security interest in the following described property, whether now owned or hereafter acquired, and all proceeds and products thereof (herein called the "Collateral"):

1 Peoria Locomotive Works PL1500 Locomotive  
Serial Number: 2WK00038 equipped with 1 Caterpillar 3512 Engine

and, substitutions, replacements, additions, and accessions thereto, now owned or hereafter acquired, and proceeds thereof.

2. Obligations. The security interest hereby granted is to secure (a) the payment when due of any and all indebtedness owing by Debtor to Company pursuant to certain Promissory Notes executed by Debtor from time to time and payable to Company; (b) the performance of all obligations of Debtor to Company hereunder and under the Promissory Note or under that certain Loan Agreement of SEP 28 1993, \_\_\_\_\_, herewith between Debtor and Company (the "Loan Agreement"); (c) all past, present and future advances or financings, of whatever type, by Company to Debtor, and extensions or renewals thereof, whether or not presently contemplated by Debtor and Company; and (d) all existing and future liabilities, of whatever type, of Debtor to Company. Debtor agrees that the security interest herein granted to Company shall extend to all of the Collateral for so long as any portion of the indebtedness secured hereby remains unpaid or any duties or obligations of Debtor hereunder or under the Promissory Notes remain undischarged, whether such property comprising a part of the Collateral is acquired by Debtor prior to, contemporaneously with, or subsequent to the date of this Agreement.

3. Representations and Warranties. Debtor represents and warrants to Company as follows: (a) the execution, delivery and performance of this Agreement, the Promissory Note, and the Loan Agreement are duly authorized by Debtor, and are not in conflict with any provision of law, or any other indenture, agreement or undertaking by which Debtor is bound; (b) this Agreement, the Promissory Note and the Loan Agreement constitute valid obligations of Debtor, legally binding upon it and enforceable in accordance with their terms; (c) all property forming part of the Collateral is now or, at the time it becomes part of the Collateral, shall be owned by Debtor by good and marketable title, and shall at all times be and remain free from all liens, claims, security interests and encumbrances, except for the security interest granted hereby and any other security interest(s) agreed to in writing by Company and Debtor shall defend the Collateral against all claims and demands of all persons claiming an interest therein; (d) all balance sheets, earnings statements, financial data and any other information or documentation related to the business or financial condition of Debtor which have been or may hereafter be furnished to Company to induce it to advance funds or extend credit to Debtor shall fairly represent the operations and financial condition of Debtor, as of the date stated therein, and shall be accurate and correct in all material respects; and (e) no representation, warranty, or statement by Debtor contained herein, in the Loan Agreement, Promissory Note or any certificate or other document furnished or to be furnished by Debtor in connection with the transaction contemplated hereby contains or at the time of delivery shall contain any untrue statement of material fact, or omits, or shall omit at the time of delivery, to state a material fact required to make such certificate or other document not misleading. The representations and warranties specified above are in addition to and not in lieu of any representations and warranties set forth in the Promissory Note, the Loan Agreement or any other related document.

4. Further Agreements. Debtor agrees at any time to execute or obtain the execution of, in form and substance satisfactory to Company, (a) such installment sale contracts, promissory notes, guarantees or other evidences of indebtedness, bearing such interest rates as Company and Debtor may agree upon from time to time, as shall be requested by Company to evidence the indebtedness secured hereby; and (b) such financing statements, subordinations, releases or waivers and other documents relating to the Collateral as Company may from time to time request. Debtor agrees that Company may file any such financing statements and other documents which Company deems to be necessary or appropriate to evidence and properly secure the Company's interest in the Collateral, and Debtor will pay all costs, including attorney's fees, incurred in connection with such filings.

5. Use of Collateral; First and Prior Lien. Debtor agrees that it will not misuse, conceal, pledge, mortgage, encumber or in any way misuse or dispose of the Collateral, and that it will keep the Collateral free of, and shall defend the Collateral from and against, all liens, claims, security interests and encumbrances, except for the security interest granted hereby and any other security interest(s) agreed to in writing by Company. Debtor, at its sole expense, shall maintain the Collateral in good repair and operating condition. Debtor shall be solely responsible for and shall promptly pay when due all taxes and other charges of every nature which may be levied or assessed against the Collateral, its use or operation or which arise out of or are connected with this Agreement, the Loan Agreement or the Promissory Note by any governmental agency.

6. Insurance. Debtor shall, at its expense, insure the Collateral against all risks for its full insurable value, with such insurance companies and under such policies and in such form as are satisfactory to Company. Such insurance shall be primary, without right of contribution from any insurance carried by Company, shall name Company as loss payee, shall be payable to Company as its interest may appear, and shall provide that it may not be canceled or altered so as to affect the interest of Company without at least thirty (30) days' prior written notice to Company. At the request of Company, Debtor shall furnish Company with satisfactory evidence of such insurance. Debtor shall promptly notify Company of any loss or damage to the Collateral and of any claim relating thereto. Debtor shall not make adjustments relating to the Collateral with insurers without Company's prior written consent, and Debtor hereby irrevocably appoints Company Debtor's attorney-in-fact to endorse all drafts or checks payable to Debtor, and to take all other actions necessary to collect any proceeds of such insurance. Any amounts so collected shall be applied by Company to the indebtedness secured hereby.

7. Substitute Performance. In the event Debtor shall fail to maintain the aforementioned insurance, pay taxes or other charges, properly maintain or repair the Collateral, or perform any other obligation required hereunder, Company may at any time thereafter (but shall not be required to) make expenditures for any or all such purposes in order to maintain and preserve the Collateral. The amount so expended, together with interest thereon at the lesser of eighteen percent (18%) per annum or the highest lawful contract rate of interest, shall be immediately due and payable by Debtor and shall be secured by the security interest herein granted.

8. Disposition of Collateral. Debtor shall not sell, assign or transfer any of the Collateral without the prior written consent of Company. All proceeds received by Debtor forming part of the Collateral shall be received under an express trust for the benefit of Company and shall not be commingled with other monies, assets or accounts of Debtor.

9. Default. Debtor shall be in default hereunder and under the Promissory Notes upon the occurrence of any of the following events: (a) Debtor fails to pay when due any indebtedness or liability or timely perform any of the duties and obligations secured hereby; (b) Debtor fails to observe or perform any of the provisions of this Agreement, the Promissory Notes or of any other instrument or agreement relating to all or any part of the Collateral; (c) any representation, warranty, financial statement or other information made or furnished by Debtor to Company is untrue in any material respect as of the date made or furnished; (d) any default shall occur under any other agreement between Debtor and Company or Debtor and any subsidiary or affiliate of Company; (e) loss, theft, or destruction of or damage to any material portion of the Collateral for which there is either no insurance coverage or for which there is, in the reasonable opinion of Company, insufficient insurance coverage; (f) the making of any levy, seizure or attachment upon the Collateral; or (g) Company reasonably deems itself to be insecure.

10. Rights and Remedies. Upon the occurrence of any default hereunder and at any time thereafter, Company may, at its option, (a) declare any or all indebtedness and liabilities of Debtor secured hereby immediately due and payable without notice or demand; (b) recover any additional damages and expenses sustained by Company by reason of the breach of any provision of this Agreement by Debtor; (c) enforce the security interest granted hereunder; (d) without notice, liability or legal process, enter upon the

premises where any of the Collateral may be and take possession thereof; and (e) require Debtor to assemble the Collateral and make it available to Company at a place designated by Company which is reasonably convenient to Company and Debtor. Company shall have all rights given to a secured party by law and all of Company's rights and remedies shall be cumulative and nonexclusive, to the extent permitted by applicable law. Company may, at its option, undertake commercially reasonable efforts to sell or dispose of all or any part of the Collateral, and the proceeds of any such sale or disposition shall be applied as follows: first, to reimburse Company for all reasonable expenses of retaking, holding, preparing for sale or disposition, and selling or disposing of the Collateral, including all taxes and reasonable attorney's fees; and, second, to the extent not previously paid by Debtor, to pay all indebtedness and liabilities secured hereby. Any surplus shall be paid to the person entitled thereto. Debtor shall promptly pay any deficiency to Company. Company shall have the right to enter and remain upon the premises of Debtor or any other place or places where any part of the Collateral may be kept, for such time as Company may deem necessary, in order to (a) maintain, sell, collect, and/or liquidate the Collateral; (b) use the premises of Debtor, together with materials and supplies located thereon, to maintain the condition of the Collateral and to prepare the Collateral for sale or liquidation; and (c) require Debtor to assemble the Collateral and make it available to Company or the agents or designees of Company at Debtor's premises or such other place as Company may reasonably designate.

Debtor hereby acknowledges that sales for cash or on credit to a wholesaler, retailer or user, and with or without the Collateral being present, are all commercially reasonable dispositions of the Collateral. Debtor agrees to pay all reasonable attorney's fees and all costs and expenses incurred by Company in enforcing this Agreement, the Promissory Note or the Loan Agreement upon the occurrence of any default hereunder or thereunder. Company shall have the right, immediately and without further action by it, to set off against the indebtedness and liabilities of Debtor all money owed by Company or any affiliate or subsidiary of Company in any capacity (including, without limitation, Caterpillar Inc.) to Debtor, whether or not due, and Company shall be deemed to have exercised such right of setoff and to have a charge against any such money immediately upon the occurrence of a default hereunder or under the Promissory Note or Loan Agreement even though such charge is made or entered on the books of Company or an affiliate or subsidiary of Company, as the case may be, subsequent thereto. The remedies specified in this Section 10 are in addition to and not in lieu of any remedies specified in the Promissory Note or the Loan Agreement.

11. Indemnification. Debtor shall defend, indemnify and save Company harmless from any and all claims, losses, liabilities, demands, suits, judgments and causes of action, and all costs or expenses in connection therewith (including attorney's fees) resulting from or in any way connected with the selection, ownership, possession, use, demonstration, display, delivery, disposition, maintenance or repair by Debtor or any third person of all or any part of the Collateral.

12. Integration; Amendment; Waiver. This Agreement, as supplemented by the Loan Agreement, constitutes the entire agreement between the parties concerning Company's security interest in the Collateral and may not be altered or amended except by a writing signed by all parties hereto. The provisions of this Agreement are intended to supplement, and not supplant, those of the Loan Agreement. However, in the event of a conflict

between the terms of this Agreement and the Loan Agreement and such conflicting terms cannot be reasonably construed as to alleviate such conflict, the terms of the Loan Agreement shall be controlling in all such events. Any notices, grace periods, waivers and other indulgences from or by Lender which are specifically set forth in the Loan Agreement and are not specifically set forth herein shall apply equally herein as though fully set forth herein. Waiver of any default hereunder shall not constitute waiver of any subsequent default. Any waiver or consent by Company of or to any default by Debtor hereunder must be in writing specifically set forth.

13. Assignment. Any or all of the rights of Company under this Agreement and in the Collateral may be assigned by Company at any time. No assignment of this Agreement or any right hereunder may be made by Debtor without the prior written consent of Company. This Agreement shall be binding upon the heirs, personal representatives, successors and assigns of Debtor and inure to the benefit of Company, its successors and assigns. Time is of the essence of this Agreement. The Collateral is and shall remain personal property at all times notwithstanding the manner in which it is attached or affixed to realty. Company or its agent shall have the right at all reasonable times to inspect the Collateral and to inspect and copy any books or records relating thereto.

14. Governing Law; Construction; Severability. This Agreement shall be construed no more strictly against one party than the other, regardless of which party drafted the Agreement. Any provision found to be invalid under any applicable law shall be inapplicable and deemed omitted, but the remaining provisions hereof shall be given effect in accordance with the manifest intent hereof. Notwithstanding any termination of this Agreement, all terms and conditions hereof shall continue to apply after such termination until all obligations or payments secured hereby have been performed or paid in full.

15. General. The headings appearing in each section hereof are for convenience of reference only and are not to be considered or construed as a substantive part of this Agreement. Any notices required or permitted hereunder shall be given in the manner provided for in the Loan Agreement.

This Agreement may be separately executed by Debtor and Company in any number of counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which, when so executed and delivered, shall be deemed to be an original and all of which, taken together, shall constitute but one and the same instrument.

In Witness Whereof, Debtor and Company have duly executed this Agreement as of the day and year aforesaid.

<p><u>Peoria and Springfield Union Railway Company</u> ("Debtor")</p> <p>Signature: <u>Paul D Feltenstein</u></p> <p>Name (PRINT): <u>PAUL D FELTENSTEIN</u></p> <p>Title: <u>VICE PRESIDENT</u></p>	<p><u>CATERPILLAR FINANCIAL SERVICES CORPORATION</u> ("Company")</p> <p>Signature: <u>D.M. Barkley</u></p> <p>Name (PRINT): <u>D.M. Barkley</u></p> <p>Title: <u>Document Supervisor</u> <u>Global Accounts Division</u></p>
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ACKNOWLEDGMENT

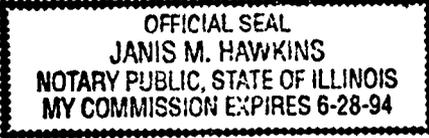
State of ILLINOIS )  
County of TAZEWELL )

On this 21ST day of SEPTEMBER, 1993, before me  
JANIS M HAWKINS, a Notary  
Public in and for said County of TAZEWELL, residing therein  
and duly commissioned and sworn, personally appeared  
PAUL D. FELTENSTEIN, known to me to  
be the VICE PRESIDENT of  
PEORIA & PEKIN UNION RY. CO. of CREVE COEUR,  
ILLINOIS, the corporation that executed the within instrument,  
and known to me to be the person who executed the within instrument on behalf of said  
corporation, and acknowledged to me that such corporation executed same.

In Witness Whereof, I hereunder subscribe my name and affix my official seal in my office  
in said County of TAZEWELL on the day and year first above  
written.

Janis M Hawkins  
Notary Public

(Seal)



My commission expires: 6-28, 1994.