



# First Bank

First Bank Minnesota (National Association)  
Virginia Office  
P.O. Box 953  
Virginia, Minnesota 55792  
(218) 741-1120

14955

REGISTRATION NO. .... Filed 1425

MAY 2 1986 -2 30 PM

INTERSTATE COMMERCE COMMISSION

14955

Filed 1425

MAY 2 1986 -2 30 PM

INTERSTATE COMMERCE COMMISSION

April 29, 1986

Date

3/2/86

Fee \$

10.00

ICC Washington, D.C.

Recordation Unit Office  
Interstate Commerce Commission  
Room 2303  
Washington D.C.

Gentlemen:

Enclosed please find three originally executed Security Agreements, two photostatic copies of promissory notes and our check for \$10.00.

For the consideration granted in the promissory notes, Anchor Gas has given us a secured interest in four railroad tank cars, #AGFX1010, #AGFX1011, #AGFX1012, and #AGFX1013. We are requesting that our lien be made of record and perfected.

Thank you for your attention.

Sincerely,

William Spang  
Assistant Vice President

WS:dp  
Enclosures

# Interstate Commerce Commission

Washington, D.C. 20423

5/6/86

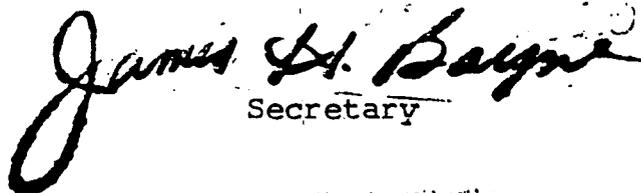
OFFICE OF THE SECRETARY

William Spang  
Assist. VP.  
First Bank Minnesota, N.A.  
P.O. Box 953  
Virginia, Minnesota 55792

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 5/2/86 at 2:30pm and assigned re-  
recording number(s). 14955 & 14955-A

Sincerely yours,

  
Secretary

Enclosure(s)

SE-30  
(7/79)

## SECURITY AGREEMENT

## Equipment

14955

Filed 1/15

The undersigned (hereinafter called "Borrower") hereby grants to

First Bank Minnesota (N.A.) Virginia, Minnesota 55792

(Name and Address of Bank)

(hereinafter called "Bank") a Security Interest in the following described property (hereinafter called "Collateral"):

Railroad Tank cars #AGFX1010, #AGFX1011, #AGFX1012, and #AGFX1013

together with all repairs, improvements and accessions thereto and substitutions and replacements therefor at any time hereinafter made or acquired and all other Equipment (as that term is defined in the Uniform Commercial Code) hereafter at any time acquired by Borrower or in which Borrower obtains rights;

All property of every kind and description in which the Borrower has or may acquire any interest now or hereafter at any time in the possession or control of the Bank for any reason including, without limitation, property delivered to the Bank as collateral, for safekeeping, or for collection or exchange for other property, and all dividends and distributions on or other rights in connection with such property; and

All Proceeds of all of the foregoing,

to secure payment to the Bank at its banking house at the address stated above of all notes of Borrower concurrently herewith, heretofore or hereafter delivered to or purchased or otherwise acquired by the Bank, and all other liabilities and indebtedness of Borrower to the Bank, due or to become due, direct or indirect, absolute or contingent, joint or several, howsoever created, arising or evidenced, now existing or hereafter at any time created, arising or incurred (hereinafter called "Secured Obligations").

Borrower warrants, represents and agrees that:

1. The Collateral  will  will not be acquired by Borrower with the proceeds of the loan or advance made on or about the date hereof. If the Collateral will be so acquired, the Bank is authorized to disburse such proceeds directly to the seller of the Collateral.
2. The Collateral (except any thereof which Borrower, prior to the execution hereof, shall have advised the Bank in writing is of a type normally used in more than one state) will be kept at the address of Borrower set forth below, and will not be removed therefrom without the prior written consent of Bank.
3. If any of the Collateral is Equipment of a type normally used in more than one state (whether or not actually so used), Borrower will contemporaneously herewith furnish the Bank a list of the states wherein such Equipment is or will be used, and hereafter will notify the Bank in writing (i) of any other states in which the Equipment is so used, and (ii) of any change in the location of Borrower's chief place of business.
4. Borrower has or will acquire title to and will at all times keep the Collateral free of all liens and encumbrances, except the Security Interest created hereby, and has full power and authority to execute this Security Agreement, to perform Borrower's obligations hereunder, and to subject the Collateral to the Security Interest created hereby. No financing statement covering all or any part of the Collateral, except any which may have been filed by the Bank, is on file in any public office.
5. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as the Bank may request to establish and maintain a valid Security Interest in the Collateral, and will pay all costs of filing and recording.
6. Borrower will keep the Collateral in good condition and insured against such risks and in such amounts as the Bank may request, and with an insurance company or companies satisfactory to the Bank, the policies to protect the Bank as its interest may appear and to be delivered to the Bank at its request.

7. Upon default by Borrower in any of the preceding agreements, the Bank at its option may (i) effect such insurance and repairs and pay the premiums therefor and the costs thereof and (ii) pay and discharge any taxes, liens and encumbrances on the Collateral. All sums so advanced or paid by the Bank shall be payable by Borrower on demand with interest at the maximum rate allowed by law and shall be a part of the Secured Obligations.

8. Borrower will not sell, transfer, lease, or otherwise dispose of the Collateral, or attempt or offer to do any of the foregoing, without the prior written consent of the Bank, and unless the Proceeds of any such sale, transfer, lease, or other disposition are paid directly to the Bank. No provision contained in this Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained in this paragraph.

9. The occurrence of any of the following events shall constitute a Default: (a) failure of Borrower, or of any co-maker, indorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of Borrower contained herein; (c) any statement, representation, or warranty of Borrower made herein or at any time furnished to the Bank is untrue in any respect as of the date made; (d) entry of any judgment against Borrower; (e) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any portion of the Collateral, or the making of any levy, seizure, or attachment thereof; (f) Borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against Borrower alleging that it is insolvent or unable to pay its debts as they mature; (g) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (h) dissolution, consolidation, or merger, or transfer of a substantial part of the property of any Borrower which is a corporation or a partnership; (i) such a change in the condition or affairs (financial or otherwise) of Borrower or any co-maker, indorser, surety or guarantor of any of the Secured Obligations as in the opinion of the Bank impairs the Bank's security or increases its risk; or (j) the Bank deems itself insecure for any reason whatsoever.

10. Whenever a Default shall exist, the Bank may, at its option and without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and the Bank may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law.

11. Borrower agrees, in the event of Default, to make the Collateral available to the Bank at a place or places acceptable to Bank, and to pay all costs of the Bank, including reasonable attorneys' fees, in the collection of any of the Secured Obligations and the enforcement of any of the Bank's rights. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to the Borrower at the address shown below.

12. No delay or failure by the Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

13. If more than one party shall sign this Agreement, the term "Borrower" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder.

Executed and delivered at Virginia, Minnesota

this 28th day of April, 19 86

ADDRESS

Hoover Road, P.O. Box 1234,  
Virginia, MN. 55792

Chief Place of Business of Borrower  
(if different from above):  
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\_\_\_\_\_

BORROWER Anchor Gas & Fuel Co., Inc.

R Marshall Johnson



DONNA M. PETERSON  
NOTARY PUBLIC - MINNESOTA  
ST. LOUIS COUNTY

My Commission Expires June 24, 1987

On this 28th day of ~~April~~ April, 1986 before me appeared R. Marshall Johnson to me personally known to be the person described in and who executed the foregoing instrument & acknowledged that he executed the same as his free act & deed.

Donna M. Peterson April 28, 1986