

LAKE SHORE BANK

LAKE SHORE NATIONAL BANK

605 NORTH MICHIGAN AVENUE • CHICAGO, ILLINOIS 60611 • (312) 787-1900

June 22, 1983

3-179A153

14079

RECORDATION NO. _____ Filed 1428

Date JUN 28 1983

Fee \$ 50.00

JUN 28 1983 - 3 05 PM

ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington, D. C. 20423

Dear Sir:

Please accept for recordation our lien on one 100 ton covered Hopper
Railcar Serial No. RRX 1195.

Enclosed is our cashiers check for the \$50.00 filing fee and an original
with two manually executed copies.

Yours very truly,



Robert J. Drexler
Vice President

RJD/el

Enc.

RECEIVED
JUN 28 2 51 PM '83
I.C.C.
FEE OPERATION BR.

Interstate Commerce Commission
Washington, D.C. 20423

6/29/83

OFFICE OF THE SECRETARY

Robert J. Drexler
Vice President

Lake Shore Bank
605 North Michigan Avenue
Chicago, Illinois 60611

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 6/28/83 at 3:05pm, and assigned re-
recording number(s). 14079

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT

JUN 28 1983 -3 05 PM

INTERSTATE COMMERCE COMMISSION

Know All Men by These Presents:

That NICHAEEL V. CADALERA..... of RR. 4, Box 317.....

Lockport, Illinois 60441..... (hereinafter called "Debtor"), for valuable consideration, receipt of which is hereby acknowledged, hereby grants to LAKE SHORE NATIONAL BANK, a national banking association, 605 North Michigan Avenue, Chicago 11, Illinois (hereinafter called "Bank"), its successors and assigns, a security interest in, and mortgages to the Bank, the following property and that which is set forth in Exhibit A hereto attached and expressly made a part hereof and any and all additions and accessions thereto:

**One 100-ton, 4650 Cubic Foot Truck
Covered Hopper Railcar.**

Number RRX 1195

and in addition to the property above described Debtor hereby grants to the Bank a security interest in, and mortgages to the Bank all other property now situated on or which may hereafter be acquired by Debtor and placed on the premises hereinafter described and all other property of Debtor wherever located (all of which including that property which is described on Exhibit A attached hereto is hereinafter called "Collateral").

Debtor agrees that the Bank shall have a security interest in the Collateral to secure the payment of a debt, evidenced by Debtor's note of even date herewith, in the principal sum of FIFTY THOUSAND and no/100..... dollars,

payable on or before May 31....., 19 86, in installments as follows..... PJ

..... dollars on the day of 19....., and a like sum on the day of each thereafter, with interest at the rate of% per annum, until the entire balance of the principal and interest has been paid, and also to secure the payment of any and all existing and future obligations of Debtor, or any of them, to the Bank of any nature whatsoever and howsoever acquired (the note and all such obligations being hereinafter called the "Obligations").

Representations, Warranties and Covenants of Debtor

Debtor makes the following representations, warranties and covenants:

1. That the proceeds of the note are being used to acquire the Collateral and Debtor hereby authorizes the Bank to disburse the proceeds of the note directly to the Seller of the Collateral. Debtor will defend the Collateral against all claims and demands of any and all persons at any time claiming the same or any interest therein.

1A. That Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and that Debtor will defend the Collateral against all claims and demands of any and all persons at any time claiming the same or any interest therein.

2. That the Collateral will be kept at..... Debtor will promptly notify the Bank of any change in the location of the Collateral within said state, and will not remove the Collateral from said state without the prior written consent of the Bank. If the Collateral is to be attached to real estate the legal description of the real estate is as follows:

*2 Percent above the Bank's Prime Rate, which rate shall change when and as said prime rate changes. The term "prime rate" means the rate of interest as defined by the Bank from time to time, and as

and the name of the record title holder to said real estate is..... and Debtor further agrees to supply the Bank at the Bank's request with a disclaimer or waiver signed by all of the parties having an interest in the real estate of any interest in the Collateral or any part thereof.

3. That Debtor will not sell or offer for sale or otherwise transfer, encumber, dispose of or permit any other interest to attach to the Collateral without the prior written consent of the Bank.

4. That Debtor will keep the Collateral in good order and repair, will not waste or destroy the Collateral, or any part thereof, and will not use the Collateral in violation of any statute or ordinance and will pay promptly when due all taxes and assessments that may be levied upon the Collateral or upon its use or operation.

5. That Debtor will keep the Collateral insured in such amounts as may be required from time to time by the Bank against loss by fire and such other risks as the Bank may designate in such companies as the Bank may approve, and make the loss, if any, payable to the Bank. All such policies shall be in form acceptable to, deposited with and held by the Bank.

6. That the Debtor agrees to deliver to the Bank forthwith upon its demand such additional Collateral as it may request from time to time should the value of the Collateral decline or should the Bank deem itself insecure.

7. That no financing statement covering the Collateral or any part thereof is on file in any public office, that the Debtor and, at the request of the Bank, will execute one or more Financing Statements or other instruments as may be required to create a valid and binding lien and/or security interest in the Collateral, in form satisfactory to the Bank, and to cause such Financing Statements or instruments to be filed or recorded in all public offices wherever filing or recording is deemed by the Bank to be necessary or desirable and to pay such costs incurred by reason of such filing or recording.

Additional Rights of Parties

The Bank, at its option, may pay any taxes, liens, encumbrances and security interests that may be levied or placed on the Collateral, or any part thereof, and may pay for insurance on the Collateral and any costs and expenses incurred in the maintenance and preservation of the Collateral; and Debtor agrees to reimburse the Bank immediately upon demand for such payments made or expenses incurred by the Bank. The Debtor may have possession of the Collateral until default in the payment of any Obligations to the Bank or until default by Debtor in the performance of any undertakings as herein provided, and may use it in any lawful manner not inconsistent with this agreement or with the provisions of any policy of insurance covering said Collateral.

Events of Default

The Debtor shall be in default hereunder upon the happening of any of the following: (a) the nonpayment when due of any amount payable on any of the Obligations; or (b) the failure to perform any agreement or undertaking of the Debtor herein contained; or (c) if the Bank deems itself insecure; or (d) if any warranty, representation or statement made or furnished to the Bank by or on behalf of the Debtor proves to have been false in any material respect when made or furnished; or (e) upon the death of any Obligor who is a natural person (the term "Obligor" as used herein being the Debtor and all parties secondarily liable on the Note or on any renewal, extension or modification thereof).

Remedies of Bank

Whenever the Debtor shall be in default as aforesaid or if the Bank deems itself insecure for any reason, (1) at the option of the Bank, the entire unpaid amount of all the Obligations shall become immediately due and payable; (2) except as otherwise provided by law, the Bank may at its option sell all or any of the Collateral at public or private sale, upon such terms and conditions as the Bank may deem proper, and the Bank may purchase any or all of the Collateral at any such sale and apply the net proceeds, after deducting all costs, expenses and attorneys' fees incurred at any time in the collection of the Obligations and in the protection and sale of the Collateral, to the payment of the note described above and any other Obligations, returning the remaining proceeds, if any, to the Debtor, the Debtor remaining liable for any amount remaining unpaid after such application, with interest; and (3) the Bank may at its option exercise from time to time any rights and remedies available to it under the Uniform Commercial Code of Illinois.

The Debtor hereby waives the benefit of any law intended for his advantage or protection and in particular waives the benefit of any such law that would otherwise restrict or limit the Bank in the exercise of its right, which the Debtor hereby acknowledges, to appropriate at any time hereafter any indebtedness owing from the Bank to the Debtor and any deposits or other assets of the Debtor in the possession or control of the Bank and apply the same toward the payment of any Obligations.

The Debtor, agrees to pay all costs of collection and attorneys' fees paid or incurred in enforcing any of the Bank's rights hereunder or in connection with the Collateral promptly on demand of the Bank or other person incurring the same. The proceeds of any disposition of the Collateral may be applied to such costs and fees.

This Agreement is executed in Illinois and shall be governed by the law of Illinois.

IN WITNESS WHEREOF, the undersigned has caused this agreement to be properly executed the 31st day of MAY, 1983.

Michael V. Gadaleta
Michael V. Gadaleta

STATE of Illinois
County of Cook, ss:

By
..... President

On this 31 day of MAY, 1983, before me personally appeared Michael V. Gadaleta, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Law Ann Lisack
Title of Officer NOTARY PUBLIC

My commission expires 9-4-85

ACCEPTED:

LAKE SHORE NATIONAL BANK

By *Robert J. Fisher*
..... President

ADDITIONAL PROVISIONS of Security Agreement of:
Michael V. Gadaleta

All property wherever located covered by the following description which may presently exist or which may hereafter come into existence and in which debtor presently has any interest or shall hereafter acquire any interest: all furniture, all fixtures, all machinery, and all other equipment and all accessions to any of the foregoing described items or types of property (including all furnitures, fixtures, machinery, equipment and any accessions to any of the foregoing at any time is the possession of any bailee. All words used herein have the same meaning as is given to such words in the Illinois Uniform Commercial Code as enacted on the date of the filing hereof. The security interest perfected hereby shall continue to attach to all property at any time covered by the above described notwithstanding any sale, exchange or other disposition of such property by debtor.