

RECORDATION NO 16504 FILED 1425 C

9-250A023

RECORDATION NO 16504 FILED 1425 A

SEP 7 1989 -12 05 PM

SEP 7 1989 -12 05 PM

INTERSTATE COMMERCE COMMISSION WILMER, CUTLER & PICKERING
2445 M STREET, N W.

WASHINGTON, D. C. 20037-1420

TELEPHONE (202) 663-6000
FACSIMILE (202) 293-0074
293-5929, 429-4930, 429-9893
TELEX 440239 WCP1 UI.
892402 WICRNG WSH
ABA NET ABA1354
SOURCE WCP001

INTERSTATE COMMERCE COMMISSION

ALLEN H HARRISON, JR
DIRECT LINE (202)
663-6093

RECORDATION NO 16504/B
SEP 7 1989 -12 05 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO 16504 FILED 1425

EUROPEAN OFFICE
4 CARLTON GARDENS
PALL MALL
LONDON SW1Y 5AA, ENGLAND
PHONE 011 (441) 839-4466
FACSIMILE 011 (441) 839-3537
TELEX 8813918 WCP LDN

SEP 7 1989 -12 05 PM

September 7, 1989 INTERSTATE COMMERCE COMMISSION

(File 120)

52 filing fees

Dear Mrs. McGee:

On behalf of The CIT Group/Equipment Financing, Inc., I submit for filing and recording under 49 U.S.C. Section 11303 (a) and the regulations promulgated thereunder, three (3) counterparts of a certified true primary document, not previously recorded, entitled Fleet Rental Security Agreement ("Security Agreement") dated February 22, 1989. Also submitted for filing and recording are the following related secondary documents, not previously recorded, as follows:

News Number

Approved by G. H. Harrison

- A Memorandum of Car Leasing Agreement ("Lease"), acknowledged March 22, 1989, - executed counterpart and two (2) certified true copies,
- B Assignment of Lease - Full Recourse ("Assignment No. 1"), executed February 22, 1989, - three (3) certified true copies, and
- C Assignment to The CIT Group/Group Equipment Financing, Inc. (sic), ("Assignment No. 2"), dated February 22, 1989 - three (3) certified true copies

The parties to the enclosed Security Agreement are:

The CIT Group/Equipment Financing, Inc. - Secured Party
2877 Brandywine Road
Atlanta, GA 30341

Hargis Leasing, Inc. - Debtor
200 Tremon Street
Gordon, GA 31301

The Security Agreement covers a security interest in ten (10) tank cars for a loan of \$578,000 from the Secured Party to the Debtor.

The parties to the enclosed Lease are:
Hargis Railcar, Inc. - Lessor
200 Tremon Street
Gordon, GA 31301

Nord Resources Corporation
Nord Kaolin Division - Lessee
8150 Washington Village Drive
Dayton, Ohio 45458

The Lease covers the lease of the same ten (10) tank cars that are in the Security Agreement.

The parties to the enclosed Assignment No. 1 are:
Hargis Railcar, Inc. - Assignor
200 Tremon Street
Gordon, GA 31301

Hargis Leasing, Inc. - Assignee
200 Tremon Street
Gordon, GA 31301

The Assignment No. 1 assigns the right, title and interest of the Lessor in the above Lease to the Assignee.

The parties to the enclosed Assignment No. 2 are:

Hargis Leasing, Inc. - Assignor
200 Tremon Street
Gordon, Georgia 31301.

The CIT Group/Equipment Financing, Inc. - Assignee
2877 Brandywine Road
Atlanta, GA 30341

The Assignment No. 2 assigns the right, title and interest of the Lessor by assignment, Hargis Leasing, Inc., in the above Lease to the Assignee.

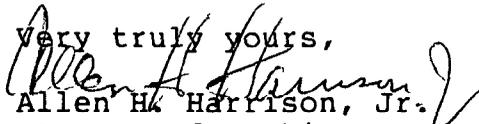
A short summary for all documents to appear in the ICC Index is as follows:

"Covers 10 tank cars, HARX1000-1009"

Enclosed are two checks each in the amount of twenty-six (\$26) dollars (total of \$52) in payment of the filing fees.

Once the filings have been made, please return to bearer the stamped counterparts of the four enclosed documents not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filings, and the two extra copies of this transmittal letter.

Very truly yours,


Allen H. Harrison, Jr.

Attorney for this purpose
of this filing for

The CIT Group/Equipment Financing, Inc.

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

Enclosures

AHH/mjg
BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

9/7/89

OFFICE OF THE SECRETARY

Allen H. Harrison Jr.
Wilmer, Cutler & Pickering
2445 M. St. N.W.
Washington, D.C. 20037-1420

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 9/7/89 at 12:05pm and assigned recordation number(s). 16504, 16504-A, 16504-B, 16504-C 16505, & 16506

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)



The CIT Group/
Equipment Financing, Inc.

RECORDATION NO 16504 FILED 1425

Fleet Rental Security Agreement

(For use in all Uniform Commercial
Code States. See SPECIAL
PROVISIONS INSTRUCTIONS
on Page 3.)

SEP 7 1989 -12 05 PM

INTERSTATE COMMERCE COMMISSION

1. Grant of Security Interest; Description of Collateral.

The debtor grants to secured party a security interest in the equipment described below, along with all present and future attachments and accessories thereto and replacements and proceeds thereof, including amounts payable under any insurance policy, all hereinafter referred to collectively as "collateral". (Describe collateral fully including make, kind of unit, serial and model numbers and any other pertinent information.)

Ten (10) Hargis 14,000 Gallon Kaolin Slurry Tank Cars, S/N's HARK1000, HARK1001, HARK1002, HARK1003, HARK1004, HARK1005, HARK1006, HARK1007, HARK1008, HARK1009 and all leases, other chattel paper, rentals and other income related thereto and arising therefrom and all cash and non-cash proceeds thereof.

2. What Obligations the Collateral Secures.

Each item of collateral shall secure not only the specific amount which the debtor promises to pay in Paragraph 3 below, but also all other present and future indebtedness or obligations of debtor to secured party of every kind and nature whatsoever. Consequently, the security interest granted by debtor to secured party shall continue effective irrespective of the payment of the amount in Paragraph 3, so long as there are any obligations of any kind, including obligations under guaranties or assignments, owed by debtor to secured party.

3. Promise to Pay; Promissory Note.

Debtor promises to pay secured party (i) the principal sum of **\$578,000.00** plus (ii) interest and charges from the date hereof as set forth and as evidenced by a promissory note payable at secured party's office below, or at such other place as may be designated in writing, to debtor by secured party from time to time. Debtor has executed and delivered a promissory note to secured party on the date hereof.

4. Collateral to Remain Personal Property; Location of Collateral.

The collateral shall remain personal property, not become part of the real estate regardless of the manner of affixation and be kept at

200 Tremon Street **Gordon** **Wilkinson** **Georgia**
Address City County State

Debtor will not remove any of the collateral from such location without prior written consent of secured party or as provided in Paragraph 7.

5. Special Provisions: (For use in ALABAMA, FLORIDA, GEORGIA, IDAHO, MARYLAND, NEW HAMPSHIRE and OREGON, see Special Provisions Instructions on Page 3.)

6. Debtor's Warranties, Representations and Agreements.

Debtor warrants and represents: that debtor is justly indebted to secured party for the full amount of the foregoing indebtedness and interest thereon; that debtor lawfully possesses and owns the collateral; that except for the security interest granted hereby the collateral is free from and will be kept free from all liens, claims, security interests and encumbrances; that no financing statement covering the collateral or any proceeds thereof is on file in favor of anyone other than secured party but if such other financing statement is on file, it will be terminated or subordinated; that all information supplied and statements made by debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequently to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

Debtor agrees: to defend at debtor's own cost any action, proceeding or claim affecting the collateral; to pay reasonable attorneys' fees and other expenses incurred by secured party in enforcing its rights against debtor under this Security Agreement; to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the collateral or this Security Agreement or said note and this obligation shall survive the termination of this Security Agreement; that if a certificate of title be required or permitted by law, debtor shall obtain such certificate with respect to the collateral, showing the security interest of secured party thereon, and in any event do everything necessary or expedient to preserve or perfect the security interest of secured party; that debtor will not misuse, fail to keep in good repair, secrete, or without the prior written consent of secured party encumber any of the collateral; that secured party may enter upon debtor's premises at any reasonable time to inspect the collateral and debtor's books and records pertaining to the collateral; and debtor shall assist secured party in making such inspection.

7. Rental of Collateral by Debtor.

The debtor is engaged in the business of renting collateral of the kind described on the front of this Security Agreement. Both debtor and secured party intend debtor to rent this inventory collateral, but **subject and subordinate to this Security Agreement** and only in the regular course of business as debtor normally rents such inventory. Until default, debtor may rent the collateral or any part thereof in its regular course of business but subject to this Security Agreement. Upon such rental, debtor may remove the collateral to other locations, without prior consent of secured party but debtor shall report the location of the collateral to secured party monthly. Debtor hereby agrees that secured party shall at any time and from time to time have full access to and the right to inspect the collateral hereunder whether such collateral is located on debtor's premises or on the premises of any lessee to whom debtor has leased any or all of the collateral hereunder; that, in no event shall debtor remove or permit the collateral to be removed to a place other than the United States, exclusive of all Commonwealths, Territories and Possessions, without the written consent of secured party.

The additional terms and conditions on Pages 2 and 3 are a part of this Security Agreement.

Dated: **February 22**, 19 **89**

Secured Party **THE CIT GROUP/EQUIPMENT FINANCING, INC.** Debtor **Hargis Leasing, Inc.**
Name of individual, corporation or partnership

By *[Signature]* Title **ASSISTANT SECRETARY** By *[Signature]* Title **Pres**
If corporation, have signed by President, Vice-President or Treasurer, and give official title. If owner or partner, state which.

2877 Brandywine Road **200 Tremon Street**
Address

Atlanta, Ga. 30341 **Gordon, Wilkinson, Georgia 31031**
City State Zip Code City County State Zip Code

If debtor is a partnership, enter: Partners' names Home addresses

Partners' names Home addresses

Additional terms and conditions of Security Agreement

8. Assignment of Rentals and Leases.

To further secure payment of all debtor's obligations under this Security Agreement, debtor agrees:

- (a) to assign and hereby pledges and assigns any leases, rentals, accounts and contracts with respect to the collateral hereunder which may now exist or hereafter arise together with all rights thereunder and all rental and other payments and purchase options due and to become due thereunder;
- (b) to mark all such leases with a legend that they are subject and subordinate to this Security Agreement;
- (c) to deliver any and all such leases together with all other instruments requested by secured party to evidence and confirm the aforesaid pledge; and
- (d) to file, at secured party's request, UCC financing statements or otherwise perfect a first priority security interest against any such lessees; and to assign such financing statements to secured party. So long as debtor is not in default in the performance of any obligations hereunder, debtor may collect and retain all rental payments due and owing under such leases directly from such lessees, without notification of this pledge to such lessees. No lease of the collateral hereunder shall relieve debtor from any of its obligations to secured party hereunder.

9. Sale of Collateral by Debtor; Release of Lien.

The debtor may also be a seller engaged in the business of selling collateral of the kind described on the front of this Security Agreement. If debtor is a regular seller, it may sell the collateral or any part thereof in its regular course of business, on the conditions that the proceeds of sale of each item of collateral shall not be less than the amount of secured party's net investment in such item as determined by secured party plus interest and charges, and that debtor shall hold all proceeds of sale in trust for and shall account for and remit the proceeds to secured party immediately upon receipt. If such proceeds are not sufficient to pay all indebtedness and interest, secured party may apply proceeds as it may in its discretion determine. Until any default, debtor may procure the release of any item of collateral from this security interest upon payment to secured party of secured party's net investment in such item, as determined by secured party, plus interest and charges.

10. Insurance and Risk of Loss.

All risk of loss, damage to or destruction of the collateral shall at all times be on debtor. Debtor will procure forthwith and maintain at debtor's expense insurance against all risks of loss or physical damage to the collateral for the full insurable value thereof for the life of this Security Agreement plus breach of warranty insurance and such other insurance thereon in amounts and against such risks as secured party may specify, and shall promptly deliver each policy to secured party with a standard long-form mortgagee endorsement attached thereto showing loss payable to secured party; and providing secured party with not less than 30 days written notice of cancellation; each such policy shall be in form, terms and amount and with insurance carriers satisfactory to secured party; secured party's acceptance of policies in lesser amounts or risks shall not be a waiver of debtor's foregoing obligations. As to secured party's interest in such policy, no act or omission of debtor or any of its officers, agents, employees or representatives shall affect the obligations of the insurer to pay the full amount of any loss.

Debtor hereby assigns to secured party any monies which may become payable under any such policy of insurance and irrevocably constitutes and appoints secured party as debtor's attorney in fact (a) to hold each original insurance policy, (b) to make, settle and adjust claims under each policy of insurance, (c) to make claims for any monies which may become payable under such and other insurance on the collateral including returned or unearned premiums, and (d) to endorse debtor's name on any check, draft or other instrument received in payment of claims or returned or unearned premiums under each policy and to apply the funds to the payment of the indebtedness owing to secured party; provided, however, secured party is under no obligation to do any of the foregoing.

Should debtor fail to furnish such insurance policy to secured party, or to maintain such policy in full force, or to pay any premium in whole or in part relating thereto, then secured party without waiving or releasing any default or obligation by debtor, may (but shall be under no obligation to do so) obtain and maintain insurance and pay the premium therefor on behalf of debtor and charge the premium to debtor's indebtedness under this Security Agreement. The full amount of any such premium paid by secured party shall be payable by debtor upon demand, and failure to pay same shall constitute an event of default under this Security Agreement.

11. Events of Default; Acceleration.

A very important element of this Security Agreement is that debtor make all its payments promptly as agreed upon. Also essential is that the collateral continue to be in good condition and adequate security for the indebtedness. The following are events of default under this Security Agreement which will allow secured party to take such action under this Paragraph and under Paragraph 12 as it deems necessary.

- (a) any of debtor's obligations to secured party under any agreement with secured party is not paid promptly when due;
- (b) debtor breaches any warranty or provision hereof, or of said note or of any other instrument or agreement delivered by debtor to secured party in connection with this or any other transaction;
- (c) debtor dies, becomes insolvent or ceases to do business as a going concern;
- (d) it is determined that debtor has given secured party substantially false information regarding its financial condition;
- (e) any of the collateral is lost or destroyed;
- (f) a complaint in bankruptcy or for arrangement or reorganization be filed by or against debtor or debtor admits its inability to pay its debts as they mature;
- (g) property of debtor be attached or a receiver be appointed for debtor;
- (h) whenever secured party in good faith believes the prospect of payment or performance is impaired or in good faith believes the collateral is insecure;
- (i) any guarantor, surety or endorser for debtor dies or defaults in any obligation or liability to secured party or any guaranty obtained in connection with this transaction is terminated or breached.

If Debtor shall be in default hereunder, the indebtedness herein described and all other indebtedness then owing by debtor to secured party under this or any other present or future agreement (collectively, the "indebtedness") shall, if secured party shall so elect, become immediately due and payable. In no event shall the debtor upon demand by secured party for payment of the indebtedness, by acceleration of the maturity thereof or otherwise, be obligated to pay any interest in excess of the amount permitted by law. Any acceleration of indebtedness, if elected by secured party, shall be subject to all applicable laws, including laws relating to rebates and refunds of unearned charges.

12. Secured Party's Remedies After Default; Consent to Enter Premises.

Upon debtor's default and at any time thereafter, secured party shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable laws, including the right to any deficiency remaining after disposition of the collateral for which debtor agrees to remain fully liable. Debtor agrees that secured party, by itself or its agent, may without notice to any person and without judicial process of any kind, enter into any premises or upon any land owned, leased or otherwise under the real or apparent control of debtor or any agent of debtor where the collateral may be or where secured party believes the collateral may be, and disassemble, render unusable and/or repossess all or any item of the collateral, disconnecting and separating all collateral from any other property and using all force necessary. Debtor expressly waives all further rights to possession of the collateral after default and all claims for injuries suffered through or loss caused by such entering and/or repossession. Secured party may require debtor to assemble the collateral and return it to secured party at a place to be designated by secured party which is reasonably convenient to both parties.

Secured party will give debtor reasonable notice of the time and place of any public sale of the collateral or of the time after which any private sale of the collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of debtor shown herein at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling and the like shall include reasonable attorneys' fees (at least 15% of the unpaid balance if not prohibited by law) and other legal expenses. Debtor understands that secured party's rights are cumulative and not alternative.

13. Waiver of Default; Agreement Inclusive.

Secured party may in its sole discretion waive a default, or cure, at debtor's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this Security Agreement or related note shall bind secured party unless in writing signed by secured party. No oral agreement shall be binding.

14. Financing Statements.

If permitted by law, debtor authorizes secured party to file a financing statement with respect to the collateral signed only by secured party, and to file a carbon, photograph or other reproduction of this Security Agreement or of a financing statement.

Additional terms and conditions of Security Agreement

15. Miscellaneous.

Debtor waives all exemptions. Secured party may correct patent errors herein and fill in such blanks as serial numbers and the like. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. Debtor acknowledges receipt of a true copy and waives acceptance hereof. If debtor is a corporation, this Security Agreement is executed pursuant to authority of its Board of Directors. "Debtor" and "secured party" as used in this Security Agreement include the heirs, executors or administrators, successors or assigns of those parties; but nothing herein shall authorize debtor to assign this Security Agreement. If more than one debtor executes this Security Agreement, their obligations under this Security Agreement shall be joint and several.

SPECIAL PROVISIONS INSTRUCTIONS – The notations to be typed in the Special Provisions section on Page 1 are shown in the applicable state pages of the Loans and Motor Vehicles Manual.

I Keith L. Diller, a Notary Public duly qualified in and for said county have compared the attached copy of an original document entitled Fleet Rental Security Agreement dated Feb 23, 1989, 1989, between Hargis Leasing, Inc. as Debtor, and The CIT Group/Equipment Financing, Inc. as Secured Party, and do hereby certify that the attached copy is complete and identical in all respects to the original document.

Witness my hand and seal this 5th day of Sept., 1989.

Keith L. Diller
Signature of Notary

Gwinnett County, GA
State

Notarial Seal

My commission expires 11/13/90

**NOTARY PUBLIC, GWINNETT COUNTY, GEORGIA
MY COMMISSION EXPIRES NOVEMBER 13, 1990**