

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

WILLIAM A. THIE
GENERAL COUNSEL
JOE C. CRAWFORD
GENERAL SOLICITOR

ARTHUR M. ALBIN
GENERAL ATTORNEY
MICHAEL E. ROPER
COMMERCE COUNSEL

No. ~~9-123456~~ 214-651-6736
Date **MAY 21 1979**
Fee \$ 50

IN REPLY REFER TO: 410.043-47

ICC Washington, D. C.

May 18, 1979

10382
RECORDATION NO. Filed 1425

MAY 21 1979 - 12 30 PM

Mr. H. G. Homme, Jr.
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

INTERSTATE
COMMERCE COMMISSION
RECEIVED

MAY 21 1979

Re: Filing of Security Agreement between Missouri-Kansas-Texas Railroad Company and Frost National Bank of San Antonio, dated May 1, 1979, covering one Railway Track-Work Tie Handler, Model 2170; three Fairmont MT19 Inspection Motor Cars; two Fairmont MT14 Section Cars; and six Fairmont Heavy Duty Push Cars

ADMINISTRATIVE SERVICES

MAIL ROOM Mr. Homme:

We are enclosing for filing pursuant to 49 U.S.C. 11303 four copies of a Security Agreement between the Missouri-Kansas-Texas Railroad Company, as Debtor, 701 Commerce Street, Dallas, Texas, and Frost National Bank of San Antonio, as Secured Party, P. O. Box 1600, San Antonio, Texas, dated May 1, 1979, covering the following described equipment:

One (1) Tie Handler, Model 2170, with 24 ft. stiff boom, single tie head, GMC 353 diesel engine, enclosed cab and hydraulic wrench, from Railway Track-Work Company; two (2) Case Model 380 Diesel Tractors, w/CB H.D. Model GB722 Sidewinder 6' Mowers w/Overrunning Clutch and Chain Guards; one (1) Case Model 580C Tractor w/Diesel Engine and Power Shuttle Transmission, Model 34 Backhoe/Loader; three (3) Fairmont MT19 Series A Inspection Motor Car with Aluminum Cab Top, Side Curtains w/Rear Window and Curtain, 10" Hand Gong, Front End Pipe Skid, Rail Sweeps, Light Group, Side Seats R&L, Torpedo and Fusee Container, Double Electric Windshield Wipers; and two (2) Fairmont MT 14 Series L Section Car w/Aluminum Windshield, Canopy Top, Side and Rear Curtains, 10" Hand Gong, Rail Sweeps, Light Group, Link Coupler, Double Electric Windshield Wipers; and six (6) Heavy Duty Fairmont Push Cars, T6, Series A.

I am also enclosing Cashier's Check No. 178 for amount of \$50.00, payable to the Interstate Commerce Commission to cover the cost of filing the

MAY 21 12 22 PM '79
RECEIVED

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT

Mr. H. G. Homme, Jr.

- 2 -

May 18, 1979

Security Agreement. Please return to me the file marked copies for distribution to the parties.

I do certify that I have personal knowledge of the aforesaid matters.

Yours very truly,



Arthur M. Albin
General Attorney

AMA:ro
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

5/22/79

OFFICE OF THE SECRETARY

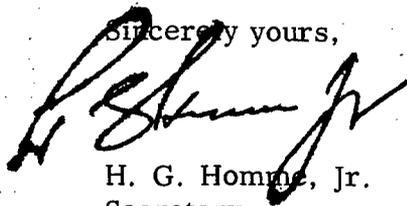
Arthur M Albin, Gen. Atty.
Missouri-Kansas-Texas RR Co.
701 Commerce Street
Dallas, Texas 75202

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 5/21/79 at 12:30pm, and assigned recordation number(s) 10382

Sincerely yours,



H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)

Frost Bank

OF SAN ANTONIO

SECURITY AGREEMENT (Equipment and Consumer Goods)

RECORDATION NO. 10382 Filed 1425
MAY 21 1979 - 12 30 PM
INTERSTATE COMMERCE COMMISSION
May 1, 1979
Date

KNOW ALL MEN BY THESE PRESENTS, That Missouri-Kansas-Texas Railroad Company, Debtor

hereby grants to **Frost National Bank of San Antonio, Secured Party**, a security interest in and to the following described goods, chattels, and personal property, to wit:

All that certain engineering and maintenance equipment as more fully set forth and described in Exhibit A attached hereto

with all similar goods hereafter acquired, all replacements thereof and all accessions, accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith, all of which property is hereinafter called Collateral and is located or will be located at

Debtor's premises within the States of Missouri, Kansas, Oklahoma and Texas

Location, address or description

If the property covered hereby is to be so affixed or related to realty as to become a part thereof, it is or will be affixed to the real property described herein.

Such real property is located in _____ County, Texas, and is more particularly described as follows, to wit:

If other than the Debtor, the record owner of the land is _____

This security interest is given to secure the performance of the covenants and agreements herein set forth and for the payment of an indebtedness of \$ 81,600.00, as evidenced by that promissory note or notes of even date herewith, executed by the Debtor and payable to the order of the Secured Party as herein provided, with default and deferment interest, costs and attorney fees as set forth therein; and for the payment of all extensions and renewals of the said note(s) and all changes in form of said indebtedness which may be from time to time effected between the parties, and for all advances made by Secured Party for insurance on said goods, and for all moneys due, including all amounts heretofore and hereafter advanced by Secured Party to or for the account of Debtor, at the option of the Secured Party, and for interest thereon.

This security agreement is intended to secure said Secured Party, its successors and assigns, in the payment of any and all indebtedness due and owing by Debtor to Secured Party, whether the same be evidenced by the hereinabove described note or by other notes executed by Debtor, or by overdrafts, endorsements, guaranties or otherwise, as well as any and all other indebtedness now due or that hereafter may become due and owing by Debtor to Secured Party, all of which indebtedness shall stand secured by this security agreement.

Proceeds of and accessions to Collateral are also covered; however, such shall not be construed to mean that the Secured Party consents to any sale of such Collateral, and no sale of such Collateral shall be made by Debtor without the written consent of Secured Party.

The proceeds of the note(s) are to be paid at Secured Party's election (check one) _____ to the seller of said goods, or _____ to the Debtor who will apply the loan proceeds to the payment of the purchase price of the goods within three (3) days from date, or _____ to the Debtor.

The Collateral is to be used by Debtor primarily (check one):

- For personal family or household purposes
 In farming operations
 In business other than farming

and Debtor agrees that he will promptly notify Secured party in writing of any change of location of said Collateral and of any change in Debtor's residence address.

The rights and privileges of the Secured Party under this agreement shall inure to the benefit of his personal representatives, his heirs, successors and assigns. All covenants, representations, warranties and agreements of Debtor contained in this agreement are joint and several, if Debtor is more than one, and shall bind Debtor's personal representatives, heirs, successors and assigns. If any provision in this agreement shall for any reason be held to be invalid or unenforceable, such shall not affect any other provision hereof, but this agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

This agreement is subject to the additional provisions set forth on the reverse side hereof, the same being incorporated herein by reference.

Frost National Bank of San Antonio

By Carelyn Masters
Its Administrative Debtor

Missouri-Kansas-Texas Railroad Company

By Paul K. Barsh
Its Vice President Debtor

P.O. Box 1600, San Antonio, TX 78296

Address

701 Commerce St., Dallas, TX 75202

Address

Debtor further represents, warrants, and agrees that:

The statements herein as to Debtor's residence and possession and use and location of the property specifically described herein are true, and that Debtor has or will acquire absolute title thereto, free and clear of all liens, encumbrances, and security interests, except the security interest hereby given to the Secured Party and other rights, if any, of this Secured Party, and that no financing statement covering the Collateral or its proceeds is on file in any public office, and Debtor will defend the goods against the claims and demands of all persons.

Debtor will not permit any of the Collateral to be removed from the location specified herein, except for temporary periods in the normal and customary use thereof, without the prior written consent of the Secured Party, and will permit the Secured Party to inspect the Collateral at any time; Debtor will not use the Collateral in violation of any statute or ordinance.

Debtor will not sell, exchange, lease, or otherwise waste or dispose of the Collateral or any of Debtor's rights therein under this agreement, or permit any lien or security interest to attach to the same, except that created by this agreement and other rights, if any, of the Secured Party, without first obtaining the written consent of this Secured Party.

Debtor will not permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this agreement.

Debtor will maintain the Collateral in good condition and repair, but without permitting any lien to affix to the Collateral as a result thereof, and will pay and discharge all taxes, levies, liens, and other impositions levied thereon, as well as the cost of repairs to, or maintenance of the same. The risk of loss of the Collateral shall be on the Debtor.

In the event any item of Collateral is destroyed, damaged beyond repair, or stolen, Debtor shall immediately notify Secured Party in writing of such event and will, within 30 days of such loss or destruction, make payment to Secured Party in an amount equal to the ratio that the original purchase price of the destroyed or stolen item bears to the total original purchase price of all items of Collateral as applied to the then existing outstanding balance of the indebtedness remaining unpaid.

In case any of the representations or warranties of Debtor herein contained shall prove to be false or misleading, or upon default of Debtor on the note or notes secured by this security agreement, or if any proceedings are instituted by or against Debtor under the provisions of the Bankruptcy Act or any State insolvency law or for the appointment of a Receiver for Debtor, or if Debtor shall make an assignment for the benefit of creditors, or shall become insolvent, or in the event of loss, theft, damage, waste, destruction, sale or encumbrance of any of the Collateral, or the making of any levy, seizure or attachment thereof, or of the failure of the Debtor to perform any covenant herein, or any actions by the Debtor inconsistent with or in violation of the terms of this agreement or which endanger the safety or integrity of the Collateral herein or the security interest of the Secured Party, or in the event of the death, dissolution, or termination of existence of the Debtor, then, in any such event, Debtor shall be in default hereunder, and thereupon all sums secured hereby shall become immediately due and payable at Secured Party's option without notice to Debtor, and Secured Party may proceed to enforce payment of the same and to exercise any or all of the rights and remedies provided by the Uniform Commercial Code of Texas as well as all other rights and remedies of the Secured Party; and in conjunction with, addition to, or substitution for, those rights, at Secured Party's discretion, Secured Party may enter upon Debtor's premises to take possession of, assemble and collect the Collateral, or to render it unusable, and waive any default in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default, and give any notice or notification to the Debtor required by the Uniform Commercial Code by mailing such notice, postage prepaid, at least five days before the event, if any, which is the subject of the notice, to Debtor's address as it appears at the end of this security agreement.

Debtor agrees to pay the amounts actually incurred by Secured Party as court costs, attorney fees assessed by a court, lawful fees for filing, recording, or releasing to any public office any instrument securing the indebtedness secured hereby, and the reasonable costs actually expended for repossessing, storing, preparing for sale, or selling the Collateral or any part thereof.

Upon default, Debtor shall assemble the Collateral and make it available to the Secured Party at a place reasonably convenient to both parties; reasonable notice shall be satisfied if such notice is mailed postage prepaid to the address of Debtor shown at the end of this agreement at least five days before the time of the sale or disposition.

Debtor shall be liable for any deficiency after application of the proceeds of the Collateral to the obligation.

This agreement shall become effective when it is signed by Debtor and together with the evidence of the obligation or obligations shall constitute the entire contract by and between the parties.

Debtor will assert no claims or defenses he may have against Secured Party against the assignee, except those granted in this security agreement.

Debtor shall have all of the rights and remedies before or after default provided in Article 9 of the Uniform Commercial Code in force in Texas at the date of this security agreement, and in connection with, addition to, or substitution for those rights, Debtor shall be entitled to notification of the date before which as well as after which any disposition by private proceedings is to occur after default, where notification is required by statute.

The law governing this secured transaction shall be that of the State of Texas in force at the date of this security agreement.

STATE OF TEXAS)
)
COUNTY OF BEXAR)

On this 14th day of May, 1979, before me personally appeared Carolyn Master, to me personally known, who being by me duly sworn, says that he is Administrative Officer of the FROST BANK OF SAN ANTONIO; that one of the seals affixed to the foregoing instrument is the corporate seal of said banking institution; that said instrument was signed and sealed on behalf of said banking institution 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 banking institution.

Sylvia M. Rodriguez
Notary Public in and for Bexar County,
Texas
SYLVIA M. RODRIGUEZ
Notary Public, Bexar County, Texas

My Commission expires: 5-3-79

STATE OF TEXAS)
)
COUNTY OF DALLAS)

On this 3rd day of May, 1979, before me personally appeared Karl R. Ziebarth, to me personally known, who being by me duly sworn, says that he is Vice President of MISSOURI-KANSAS-TEXAS RAILROAD COMPANY; that one of the seals 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.

Jessie Ladner
Notary Public in and for Dallas County,
Texas

My Commission expires: Nov. 30, 1980

EXHIBIT A TO SECURITY AGREEMENT BETWEEN FROST NATIONAL BANK OF SAN ANTONIO
AND MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

One (1) Tie Handler, Model 2170, with 24 ft. stiff boom, single tie head, GMC 353 diesel engine, enclosed cab and hydraulic wrench, from Railway Track-Work Company; two (2) Case Model 380 Diesel Tractors, w/CB H.D. Model GB722 Sidewinder 6' Mowers w/Overrunning Clutch and Chain Guards; one (1) Case Model 580C Tractor w/Diesel Engine and Power Shuttle Transmission, Model 34 Backhoe/Loader; three (3) Fairmont MT19 Series A Inspection Motor Car with Aluminum Cab Top, Side Curtains w/Rear Window and Curtain, 10" Hand Gong, Front End Pipe Skid, Rail Sweeps, Light Group, Side Seats R&L, Torpedo and Fusee Container, Double Electric Windshield Wipers; and two (2) Fairmont MT14 Series L Section Car w/Aluminum Windshield, Canopy Top, Side and Rear Curtains, 10" Hand Gong, Rail Sweeps, Light Group, Link Coupler, Double Electric Windshield Wipers; and six (6) Heavy Duty Fairmont Push Cars, T6, Series A.