

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

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COMMERCE COUNSEL

214-651-6736

10661
RECORDATION NO. Filed 1425

Date JUL 23 1979
Fee \$ 50.00

IN REPLY REFER TO: 410.043-50

JUL 23 1979 - 4 02 PM

July 19, 1979

INTERSTATE COMMERCE COMMISSION

CC Washington, D. C.

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

Re: Security Agreement dated July 6, 1979, between
Manufacturers Bank & Trust Company, Secured Party,
and Missouri-Kansas-Texas Railroad Company, Debtor,
covering the Purchase and Financing of one Second Hand
Steel Coil Railroad Car to bear Recording Marks and
Numbers MKT 14015.

Dear Mr. Homme:

Pursuant to the provisions of Section 11303 of the Interstate Commerce Act and the Rules and Regulations approved and proscribed by the Interstate Commerce Commission pursuant thereto, there are submitted for filing and recording four (4) copies of a Security Agreement, dated July 6, 1979, between Manufacturers Bank & Trust Company, as Secured Party, 1731 So. Broadway, St. Louis, MO, and Missouri-Kansas-Texas Railroad Company, Debtor, 701 Commerce Street, Dallas, Texas, which Security Agreement grants to Manufacturers Bank & Trust Company a security interest in one second hand steel coil railroad car, previously designated DTI 1059, which is to be redesignated by Debtor prior to use by it with marks and numbers MKT 14015, which security interest is granted to cover the purchase of said car by Debtor.

I would appreciate you returning to me the file marked copies of the Security Agreement for distribution to the parties. Enclosed is a Cashier's Check in the amount of \$50 to cover the required fee for the recording of this document.

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

Yours very truly,

Arthur M. Albin
Arthur M. Albin

INTERSTATE
COMMERCE COMMISSION
RECEIVED

JUL 23 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

AMA:ro
Enclosures

7/24/79

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Arthur M. Albin
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 7/23/79 at 4:30pm, and assigned recordation number(s). 10662 & 10661

Sincerely yours,



Secretary

Enclosure(s)

SE-30
(3/79)

SECURITY AGREEMENT

CONSUMER GOODS, EQUIPMENT, CROPS OR FARM PRODUCTS

Date JUL 6 1979, 19

Missouri-Kansas-Texas Railroad Company, 701 Commerce Street
Dallas, Texas
(Dallas, Dallas, Texas)
(CITY, COUNTY, STATE)

hereinafter called "Debtor," hereby grants to Manufacturers Bank & Trust Company
of 1731 So. Broadway, St. Louis, Missouri
(STREET OR MAILING ADDRESS, CITY, COUNTY, STATE)
Missouri, hereinafter called "Secured Party," a security interest in the following described personal property:

One (1) second hand steel coil railroad car complete with covers, bearing marks and numbers DTI 1059, to be redesignated by Debtor prior to use by Debtor with marks and numbers MKT 14015

10661
RECORDATION NO. Filed 1425

JUL 23 1979 - 4 01 PM

INTERSTATE COMMERCE COMMISSION

(Note - If COLLATERAL is crops, or oil, gas or minerals to be extracted, or timber to be cut, or if COLLATERAL is to become a fixture, describe in the above space following the description of the COLLATERAL, the real estate concerned, and give the name of the record owner hereof.)

together with all additions, accessions and substitutions thereto or therefor, and all similar property hereafter acquired, hereinafter called "Collateral." Proceeds of Collateral are also covered but this shall not be construed to mean that Secured Party consents to any sale of such Collateral.

If Collateral includes livestock, Debtor hereby grants a security interest in all increase thereof, all feed, both hay and grain, owned by Debtor, all water privileges, all equipment used in feeding and handling said livestock, and all of Debtor's right, title, and interest in and to all contracts and leases covering lands for pasture and grazing purposes.

DEBTOR WARRANTS AND COVENANTS WITH SECURED PARTY AS FOLLOWS:

- 1. The Collateral covered by this agreement is to be used by Debtor primarily for
() Personal, family or household purposes () Farming operations (x) Business other than farming operations.
2. The Collateral is
() Now owned by the Debtor (x) Being acquired with the proceeds of the advance evidenced by this agreement.
3. Debtor's residence is
() At the address shown above () At N/A
4. The Collateral will be kept
() At Debtor's residence as shown above () At In rail service within the United States
5. Debtor's chief place of business is
() At the same address as Debtor's residence (x) At 701 Commerce St., Dallas, Texas

This security interest is given to secure: (1) Payment of a note dated..., executed and delivered by Debtor to Secured Party in the principal sum of \$18,000, payable as to principal and interest as therein provided; (2) future advances to be evidenced by like notes to be made by Secured Party to Debtor at Secured Party's option; (3) all expenditures by Secured Party for taxes, insurance, repairs to and maintenance of the Collateral and all costs and expenses incurred by Secured Party in the collection and enforcement of the note and other indebtedness of Debtor; and (4) all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS: OWNERSHIP FREE OF ENCUMBRANCES. Except for the security interest granted hereby, Debtor now owns or will use the proceeds of the advances hereunder to become the owner of the Collateral free from any prior lien, security interest or encumbrance, and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

FINANCING STATEMENTS. No financing statement covering the Collateral or any proceeds thereof is on file in any public office and Debtor will join with Secured Party in executing one or more financing statements in form satisfactory to Secured Party.

INSURANCE. Debtor will insure the Collateral with companies acceptable to Secured Party against such casualties and in such amounts as Secured Party shall require. All insurance policies shall be written for the benefit of Debtor and Secured Party and their interests may appear, and such policies or certificates evidencing the same shall be furnished to Secured Party. All policies of insurance shall provide at least ten (10) days prior written notice of cancellation to Secured Party.

MAINTENANCE. Debtor will keep the Collateral in good condition and free from liens and other security interests, will pay promptly all taxes and assessments with respect thereto, will not use the Collateral illegally or encumber the same and will not permit the Collateral to be affixed to real or personal property without the prior written consent of Secured Party. Secured Party may examine the Collateral at any time, wherever located.

REIMBURSEMENT FOR EXPENSES. At its option Secured Party may discharge taxes, liens, security interests, or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof and for insurance thereon. Debtor agrees to reimburse Secured Party on demand for any payments so made and until such reimbursement, the amount of any such payment, with interest at ten (10%) per cent per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this security agreement.

CHANGE OF RESIDENCE OR LOCATION OF COLLATERAL. Debtor will immediately notify Secured Party in writing of any change in Debtor's residence, and Debtor will not permit any of the Collateral to be removed from the location specified herein without the written consent of Secured Party.

- EVENTS OF DEFAULT. Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:
1. Default in the payment or performance of any obligation, covenant or liability contained or referred to herein;
2. Any warranty, representation or statement made or furnished to Secured Party by or in behalf of Debtor proves to have been false in any material respect when made or furnished;
3. Any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking;
4. Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon;
5. Any time the Secured Party believes that the prospect of payment of any indebtedness secured hereby or the performance of this agreement is impaired;
6. Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the Collateral, assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Debtor or any guarantor or surety for Debtor.

REMEDIES. Upon such default and at any time thereafter Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by Secured Party. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default and the terms of this agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Signed and delivered the day and year first above written.

SECURED PARTY:
Manufacturers Bank & Trust Co.
By [Signature]
Vice President

DEBTOR:
Missouri-Kansas-Texas Railroad Company
By [Signature]
Vice President

ASSIGNMENT WITHOUT RECOURSE

FOR VALUE RECEIVED, without recourse, the undersigned does hereby sell, assign and transfer to.....

.....
all right, title and interest in and to the within Security Agreement and the property covered thereby and authorizes the said Assignee to do every act and thing necessary to collect and discharge the obligation secured thereby.

.....
BY:.....

ASSIGNMENT WITH GUARANTY OF PAYMENT

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer to.....

.....
all right, title and interest in and to the within Security Agreement and the property covered thereby and authorizes the said Assignee to do every act and thing necessary to collect and discharge the obligation secured thereby.

In consideration of the purchase of the within Security Agreement, the undersigned guarantees payment of the full amount remaining unpaid thereon and covenants that if default be made in payment of any installment herein for a period of..... days to pay the full amount then unpaid to the Assignee upon demand. The liability of the undersigned shall not be affected by any settlement, extension of credit or variation of terms of the within Security Agreement. The undersigned waives notice of acceptance of this guaranty and notice of nonpayment and nonperformance.

.....
BY:.....

STATE OF MISSOURI)
)
CITY OF ST. LOUIS)

BEFORE ME, the undersigned, a Notary Public in and for said City and State, on this day personally appeared Stephen R. Green, Vice President, known to me to be person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MANUFACTURERS BANK & TRUST COMPANY, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of July, 1979.



Notary Public in and for City of
St. Louis, Missouri

JOHN F. TULLOCK, Notary Public, State of Missouri
Commissioned in and for the County of St. Louis
which adjoins the City of St. Louis.

My Commission expires: _____

Notary Public State of Missouri
My Commission Expires March 14, 1982

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Karl R. Ziebarth, Vice President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 6th day of July, 1979.



Notary Public in and for Dallas County,
Texas

My Commission expires: 12-31-80