

SECURITY NATIONAL BANK

Sixth and Pierce Street, Sioux City, IA 51101 • 712/277-6500

12/29/86
L. D. O.

1 5138/A
RECORDATION NO. _____ Filed & Recorded

DEC 29 1986 3-0 5 PM

December 17, 1986

INTERSTATE COMMERCE COMMISSION

CERTIFIED
RETURN RECEIPT REQUESTED

1 5138
RECORDATION NO. _____ Filed & Recorded

DEC 29 1986 3-0 5 PM

Secretary, Interstate Commerce
Commission
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

These documents are:

1. A Promissory Note, a primary document, dated November 3, 1986; and a
2. Security Agreement, a primary document, also dated November 3, 1986.

The names and addresses of the parties to the documents are as follows:

Mortgagor: Terminal Grain Corporation
P.O. Box 3809
Sioux City, IA 51102

Mortgagee: The Security National Bank
of Sioux City, Iowa
P.O. Box 147
Sioux City, IA 51102

A description of the equipment covered by the documents follows:

Twenty-Five (25) new Trinity 100-ton triple covered hopper cars with 4,750 cubic foot capacity, Series TRGX 1051-1075, inclusive, and

Twenty-Five (25) new Pullman Standard 100-ton 4,750 cubic foot capacity covered hopper cars numbered TRGX 1076-1100, inclusive.

Secretary, Interstate
Commerce Commission

Page 2

December 17, 1986

A fee of \$20 is enclosed. Please return the originals, following recordation, to Mrs. Mary Kay Lagan, Vice President, The Security National Bank of Sioux City, Iowa, P.O. Box 147, Sioux City, IA 51102.

A short summary of the documents to appear in the index follows:

Two (2) primary documents: One Promissory Note and one Security Agreement between Terminal Grain Corporation (Mortgagor), P.O. Box 3809, Sioux City, IA 51102, and The Security National Bank of Sioux City, Iowa (Mortgagee), P.O. Box 147, Sioux City, IA 51102, each dated November 3, 1986, and covering twenty-five (25) new Trinity 100-ton triple covered hopper cars with 4,750 cubic foot capacity, Series TRGX 1051-1075, inclusive, and twenty-five (25) new Pullman Standard 100-ton 4,750 cubic foot capacity covered hopper cars numbered TRGX 1076-1100, inclusive.

Sincerely,



(Mrs.) Mary Kay Lagan
Vice President

jo/19/w

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

12/30/86

OFFICE OF THE SECRETARY

Mary May Lagan
Vice President
Security National Bank
Sixth & Pierce St.
Sioux City, IA. 51101

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 12/29/86 at 3:05pm, and assigned re-
recording number(s). 15138 & 15138-A

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

BUSINESS SECURITY AGREEMENT

1. PARTIES-COLLATERAL — The undersigned Debtor (hereinafter collectively with Co-Debtor, if any, called "Debtor"), jointly and severally, for value received hereby grants to THE SECURITY NATIONAL BANK OF SIOUX CITY, IOWA (hereinafter called "Bank") a security interest under the Uniform Commercial Code of Iowa in the following described collateral:

A.

New or Used	Year	Manufacturer	Description of Article	Model	No. Cyl.	Serial or Motor No.	Cost or Value

B. And in addition thereto a security interest in the following described collateral (if additional space is needed, see attached schedule and check here):

Twenty-Five (25) new Pullman Standard 100-ton 4,750 cubic foot capacity covered hopper cars numbered TRGX 1076-1100 inclusive and Twenty-Five (25) new Trinity 100-ton triple covered hopper cars with 4,750 cubic foot capacity series TRGX 1051 through 1075, inclusive.

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 DEC 29 1986 3-05 PM
 INTERSTATE COMMERCE COMMISSION

C. And as additional collateral all additions to and replacements of all such collateral, and all accessories, accessions, parts and equipment now or hereafter affixed thereto or used in connection therewith and the proceeds from all such collateral (including negotiable or non-negotiable warehouse receipts now or hereafter issues for storage of collateral). If this Agreement includes fixtures, it is and will be located on the following described property:

_____ County, Iowa. (If additional space is needed, see attached schedule and check here .) If other than Debtor, the record owner of the land described is _____

All collateral described in subparagraphs A, B & C above is referred to in this Agreement collectively as the "Collateral" and shall include all such Collateral wherever located and whether now owned or hereafter acquired.

2. REPRESENTATIONS AND WARRANTIES OF DEBTOR — Debtor represents and warrants that the extension of credit secured by this Agreement is for business or commercial purposes, or is to an organization, and is therefore an exempt transaction under the Federal Truth-in-Lending Act and not subject to the Iowa Consumer Credit Code, shall be deemed continuously to represent and warrant that: (a) Debtor is the owner of the Collateral free of all security interests or other encumbrances, other than the security interest created by this Agreement and

(b) Debtor is authorized to enter into this Agreement; (c) Debtor is engaged in business operations and Debtor's business is carried on at the address specified below; and (d) The Collateral is and will be located at the address specified below, or, if not, at _____

3. OBLIGATIONS SECURED — This Agreement is continuing until specifically terminated in writing by Bank and the security interest granted herein is given to secure the performance on the covenants and agreements herein set forth and the payment of the indebtedness evidenced by the promissory note(s) or other instruments executed by Debtor to the order of Bank and any other indebtedness of Debtor to Bank, whether now existing or hereafter incurred, of every kind and character, direct or indirect, whether as maker, endorser, guarantor or surety and whether such indebtedness is from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred, including, without limitation, any sums advanced by Bank in the performance of Debtor's obligations hereunder, any license fees, insurance, and repairs with respect to the Collateral, and any attorney fees and other charges and expenses incurred in the collection of the obligations secured hereby; provided, however, that indebtedness incurred in a "Consumer Credit Transaction" as defined in the Iowa Consumer Credit Code shall not be secured by this Agreement.

4. ACCELERATION OF OBLIGATIONS AND DEFAULT — Upon the occurrence of any of the following events, Bank may, at its option, with or without notice, declare the whole unpaid balance of any obligation secured by this Agreement immediately due and payable and may declare Debtor to be in default under this Agreement, said events being as follows (a) Debtor fails to make timely payments on any obligation secured hereby; (b) Debtor fails to perform any other covenant, promise or condition agreed to be by Debtor performed in any paragraph of this Agreement or any other note, obligation or agreement with the Bank; (c) Debtor or Debtor's agent gave or furnished to Bank a false statement, representation or warranty in a material respect; (d) Debtor dies or fails in business; or if there occurs the dissolution or termination of the existence of Debtor's business; or if any proceedings under any bankruptcy or insolvency law by or against the Debtor or by or against any guarantor or surety hereon for the Debtor is commenced; or if the Debtor shall make an assignment for the benefit of creditors; (e) occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of Bank; (f) Bank believes itself insecure.

5. THIS SECURITY AGREEMENT SPECIFICALLY INCLUDES ALL THE ADDITIONAL PROVISIONS SET FORTH ON THE THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

Debtor authorizes secured party to file a copy of this Security Agreement with appropriate authorities at any time after signature by the Debtor as a financing statement to perfect the secured party's security agreement.

In witness whereof, the Debtor has executed and delivered this Agreement on the date first above written.

THE UNDERSIGNED BORROWER (S) ALSO ACKNOWLEDGES RECEIPT OF A COPY OF THIS INSTRUMENT.

ADDRESS OF DEBTOR
518 Eighth Street, P.O. Box 3809
 (Number and Street or Rural Route No.)
Sioux City, IA 51102
 (City)

 (County) _____ (State) _____ (Zip Code)

TERMINAL GRAIN CORPORATION
 (Name of Corporation, Partnership or Organization)
 X [Signature]
 (Signature)
Douglas E. Palmer, President
 (Type Name) (Title) (Soc. Sec. No.)
[Signature]
 (Signature)
Frank E. Dehnert, Treasurer
 (Type Name) (Title) (Soc. Sec. No.)

STATE OF IOWA

COUNTY OF WOODBURY

On this 3rd day of November, 1986, before me personally appeared, Douglas E. Palmer and Frank F. Boeshart, to me personally known, who being by me duly sworn, say that they are the President and Treasurer of Terminal Grain Corporation, that the Seal 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



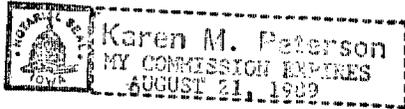
Karen M. Peterson
MY COMMISSION EXPIRES
AUGUST 21, 1989

Karen M. Peterson
Karen M. Peterson, Notary Public



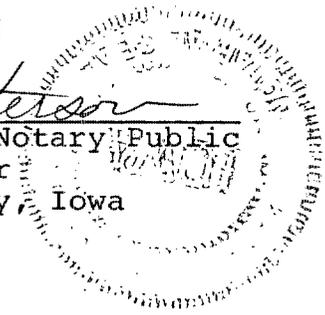
CERTIFICATION

I certify that I have compared the copy of the Security Agreement (attached hereto and executed by duly authorized officers of Terminal Grain Corporation, Sioux City, Iowa), with the original and have found said copy to be complete and identical in all respects to the original document.



Karen M. Peterson
Karen M. Peterson, Notary Public

In and For
Woodbury County, Iowa



November 3, 1986