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Practice Before The Interstate Commerce Commission
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WASHINGTON, D. C. 20004

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May 13, 1982

Registered Practitioners
PAULINE E. MYERS
MARK D. RUSSELL

13641
REGISTRATION NO. Title 1425

2-133A053

MAY 13 1982 - 3 15 PM

MAY 13 1982
FEE \$ 50.00
ICC Washington, D. C.

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Secretary:

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

This document is a Security Agreement, a primary document, dated April 9, 1982. The names and addresses of the parties to the document are as follows:

DEBTOR: Charles S. Hicks
Rural Route #1
Garrison, IA

SECURED PARTY: GWI Leasing Corporation
71 Lewis Street
Greenwich, CT 06830

A description of the equipment covered by the document follows:

Locomotive, Baldwin, No. 104, Serial No. 71740

Locomotive, Baldwin, No. 105, Serial No. 71985

All other equipment used in connection with railroad operations of Keota-Washington Transportation Co.

A fee of \$50.00 is enclosed. Please return the original. Your cooperation in this matter is greatly appreciated.

Yours very truly,

Pauline E. Myers
Pauline E. Myers

slt
Enclosures
Check No. 3810

Clémentine Myers Shirley L. Shinn

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MAY 13 3 10 PM '82
FEE OPERATION BR.
I.C.C.

Interstate Commerce Commission
Washington, D.C. 20423

5/13/82

OFFICE OF THE SECRETARY

P.E. Myers & Associates
Suite 348 Pennsylvania Building
425 Thirteenth St. N.W.
Washington, D.C. 20004

Dear **Ms. Myers:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **5/13/82** at **3:15pm**, and assigned re-
recording number(s). **13641 & 13642**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT

(EQUIPMENT, CONSUMER GOODS, FIXTURES)

DATE April 9 19 82

NAME	Charles S. Hicks	NO. AND STREET	Rural Route #1			
CITY	Garrison,	COUNTY	Iowa	STATE	(the Debtor) and	
NAME	GWI Leasing Corporation		OFFICE			
OFFICE ADDRESS	71 Lewis Street,	CITY	Greenwich,	STATE	Connecticut 06830	(the Secured Party)

agree as follows:

1. Security Interest.

(a) Debtor hereby grants to Secured Party a security interest (the Security Interest) in the following described Goods, in all increases, parts, accessories, attachments, special tools, additions and accessions thereto and in all Proceeds thereof in any form (the Collateral):

13641

RECORDATION NO. Filed 1425

ALL GOODS DESCRIBED
IN SCHEDULE 'A' ATTACHED

MAY 13 1982 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

(b) If marked here , the Collateral also includes all other Goods of the same class or classes, hereafter owned or acquired by Debtor, in all increases, parts, accessories, attachments, special tools, additions and accessions thereto and in all Proceeds thereof in any form.

2. Indebtedness Secured. The Security Interest secures payment of any and all indebtedness of Debtor to Secured Party, whether now existing or hereafter incurred, of every kind and character, direct or indirect, 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 Secured Party for taxes, assessments, insurance and other charges and expenses as hereinafter provided (the Indebtedness). *

3. Representations and Warranties of Debtor. Debtor represents and warrants and, so long as any indebtedness remains unpaid, 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, except the Security Interest; (b) Debtor is authorized to enter into this Security Agreement; (c) the Collateral is used or bought for use primarily for the purpose marked below: Benton, Tama, Grundy and Hardin Counties, Iowa

Business operations and the Debtor's business is carried on in the county specified above

Personal, family or household purposes and the address specified above is Debtor's residence;

and (d) if the Collateral is or will be a fixture, it will be affixed: (i) to real property at Debtor's address specified at the beginning of this

Security Agreement or located at _____; and (ii) such real property is owned by Debtor or is owned by _____

4. Covenants of Debtor.

So long as any indebtedness remains unpaid, Debtor: (a) will defend the Collateral against the claims and demands of all other parties; will keep the Collateral free from all security interests or other encumbrances, except the Security Interest; and will not sell, transfer, lease, or otherwise dispose of any Collateral or any interest therein without the prior written consent of Secured Party; (b) will keep the Collateral in New York State; will notify Secured Party promptly in writing of any change in Debtor's address, specified above; and will permit Secured Party or its agents to inspect the Collateral; (c) will keep the Collateral in good condition and repair; and will not use the Collateral in violation of any provisions of this Security Agreement, of any applicable statute, regulation or ordinance or of any policy insuring the Collateral; (d) in connection herewith, will execute and deliver to Secured Party such financing statements and other documents, pay all costs of title searches and filing financing statements and other documents in all public offices requested by Secured Party, and do such other things as Secured Party may request; (e) will pay all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral; will insure the Collateral against risks, and in coverage, form and amount, satisfactory to Secured Party, and, at Secured Party's request, will deliver each policy or certificate of insurance therefor to Secured Party; (f) will prevent the Collateral or any part thereof from being or becoming an accession to other goods not covered by this Security Agreement; and (g) if the Collateral is not a fixture, will prevent the Collateral or any part thereof from being or becoming a fixture.

5. Default.

(a) Any of the following events or conditions shall constitute an event of default hereunder: (i) nonpayment when due, whether by acceleration or otherwise, of principal or interest on any indebtedness, or default by Debtor in the performance of any obligation, term or condition of this Security Agreement or any other agreement between Debtor and Secured Party; (ii) nonpayment when due of any tax imposed on Debtor or on any of Debtor's assets; (iii) death or judicial declaration of incompetency of Debtor, if an individual; (iv) the filing by or against Debtor of a petition for adjudication as a bankrupt; the filing by or against Debtor (if a corporation) of a petition for reorganization under Chapter X of the Bankruptcy Act or any similar statute; or the filing by Debtor of a petition for an arrangement under Chapter XI of the Bankruptcy Act or any similar statute; (v) the making of any general assignment by Debtor for the benefit of creditors; the appointment of a receiver or trustee for Debtor or for any of Debtor's assets; or the

* The Indebtedness includes all obligations of Debtor to Secured Party pursuant to personal guarantees and all indebtedness of Keota Washington Transportation Co. to Secured Party.

institution by or against Debtor of any other type of insolvency proceeding (under the Bankruptcy Act or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of, Debtor; (vi) the occurrence of any event described in paragraph 5 (a) (iii), (iv) or (v) hereof with respect to any indorser or guarantor, or any other party liable for payment, of any indebtedness; or (vii) if any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Debtor or any indorser or guarantor, or any other party liable for payment, of any indebtedness, pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, representations and warranties contained herein) or as an inducement to Secured Party to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or to have omitted any substantial contingent or unliquidated liability or claim against Debtor or any such indorser, guarantor or other party; or if upon the date of execution of this Security Agreement, there shall have been any materially adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or audit, which change shall not have been disclosed to Secured Party at or prior to the time of such execution.

(b) Secured Party, at its sole election, may declare all or any part of any indebtedness not payable on demand to be immediately due and payable without demand or notice of any kind upon the happening of any event of default, or if Secured Party in good faith believes that the prospect of payment of all or any part of the indebtedness or performance of Debtor's obligations under this Security Agreement or any other agreement now or hereafter in effect between Debtor and Secured Party is impaired. The provisions of this paragraph are not intended in any way to affect any rights of Secured Party with respect to any indebtedness which may now or hereafter be payable on demand.

(c) Upon the happening of any event of default, Secured Party's rights and remedies with respect to the Collateral shall be those of a Secured Party under the Uniform Commercial Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Secured Party.

(d) Without in any way requiring notice to be given in the following manner, Debtor agrees that any notice by Secured Party of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to Debtor if such notice is mailed by regular or certified mail, postage prepaid, at least five (5) days prior to such action, to Debtor's address specified above or to any other address which Debtor has specified in writing to Secured Party as the address to which notices hereunder shall be given to Debtor.

(e) Debtor agrees to pay all costs and expenses incurred by Secured Party in enforcing this Security Agreement, in realizing upon any Collateral and in enforcing and collecting any indebtedness, including, without limitation, if Secured Party retains counsel for any such purpose, an attorney's fee of 20% of the indebtedness.

6. Miscellaneous.

(a) Debtor hereby authorizes Secured Party, at Debtor's expense, to file such financing statement or statements relating to the Collateral without Debtor's signature thereon as Secured Party at its option may deem appropriate, and appoints Secured Party as Debtor's attorney-in-fact (without requiring Secured Party) to execute any such financing statement or statements in Debtor's name and to perform all other acts which Secured Party deems appropriate to perfect and continue the Security Interest and to protect and preserve the Collateral.

(b) (i) As further security for payment of the indebtedness, Debtor hereby grants to Secured Party a Security Interest in and lien on any and all property of Debtor which is or may hereafter be in Secured Party's possession in any capacity, including, without limitation, all moneys owed or to be owed by Secured Party to Debtor; and with respect to all of such property, Secured Party shall have the same rights hereunder as it has with respect to the Collateral. (ii) Without limiting any other right of Secured Party, whenever Secured Party has the right to declare any indebtedness to be immediately due and payable (whether or not it has so declared), Secured Party at its sole election may set off against the indebtedness any and all moneys then owed to Debtor by Secured Party in any capacity, whether or not due, and Secured Party shall be deemed to have exercised such right of setoff immediately at the time of such election even though any charge therefor is made or entered on Secured Party's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, Secured Party may, but shall not be obligated to, perform any or all such duties, and Debtor shall pay an amount equal to the expense thereof to Secured Party forthwith upon written demand by Secured Party.

(d) No delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Secured Party may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party hereunder are cumulative.

(e) Secured Party shall have no obligation to take, and Debtor shall have the sole responsibility for taking, any and all steps to preserve rights against any and all prior parties to any Instrument or Chattel Paper in Secured Party's possession as Proceeds in connection with this Security Agreement. Debtor waives protest of any Instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and waives notice of any other action taken by Secured Party.

(f) The rights and benefits of Secured Party hereunder shall, if Secured Party so agrees, inure to any party acquiring any interest in the indebtedness or any part thereof.

(g) Secured Party and Debtor as used herein shall include the heirs, executors or administrators, or successors or assigns, of those parties.

(h) If more than one Debtor executes this Security Agreement, the term "Debtor" shall include each as well as all of them and their obligations, warranties and representations hereunder shall be joint and several.

(i) No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made except by a written agreement subscribed by Debtor and by a duly authorized officer of Secured Party.

(j) This Security Agreement and the transaction evidenced hereby shall be construed under the laws of New York State, as the same may from time to time be in effect, including, without limitation, the Uniform Commercial Code.

(k) This Security Agreement is and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager of Secured Party's Office specified at the beginning of this Security Agreement shall actually receive written notice of its discontinuance; and shall remain in full force and effect thereafter until all of the indebtedness contracted for or created before the receipt of such notice by Secured Party, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

DEBTOR:

Charles S. Hicks

Charles S. Hicks

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SCHEDULE A

All equipment of Debtor including but not limited to:

1. Locomotive, Baldwin, No. 104, Serial No. 71740
2. Locomotive, Baldwin, No. 105, Serial No. 71985
3. All other equipment used in connection with railroad operations of Keota-Washington Transportation Co.

STATE OF IOWA)
COUNTY OF *BENTON*)

ss:

On this *9* day of April, 1982, before me, the subscriber, personally appeared Charles S. Hicks, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.



Judy Flickinger

Notary Public