



First American

NATIONAL BANK

RECORDATION NO. 13199 A F:16d 142b

SEP 29 1980 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

273A065

No. SEP 29 1980

Date Fee \$ 50.00

ICC Washington, D. C.

September 24, 1980

Interstate Commerce Commission
Interstate Commerce Building
Washington, D. C. 20044

Re: Security Interest of The First American National Bank of St. Cloud

Gentlemen:

You are hereby requested to record the enclosed Security Agreement, of which there are one original and two counterparts. Enclosed is a check in the amount of \$50.00 to cover your recording fee.

Under the Security Agreement, Dr. Barry J. PETERSON, whose address is 1011 Second Street North, Suite 103, St. Cloud, Mn. 56301, grants a security interest in the equipment hereinafter described in this letter, to The First American National Bank, a Minnesota Corporation, whose address is St. Cloud, Mn. 56301.

The Security Agreement refers to the railway equipment consisting of ICC Road Number 11831.

When recorded, the document should be returned to:

The First American National Bank of St. Cloud
P. O. Box 847
St. Cloud, Mn. 56301

Thank you.

Sincerely,

Velda Swanson

Velda W. Swanson
Administrative Assistant

VWS:sf

Enclosures

SEP 28 11 57 AM '80
FEE COLLECTION BR.

bromer
BANK GROUP

Eleventh and St. Germain
St. Cloud, Minnesota 56301
(612) 251-3300

Donna Kelly

C

SECURITY AGREEMENT

Date August 20 1980

Debtor(s) Name(s) & Address(s)	PETERSON, Barry J. & Jennifer L.	Secured Party(s) Name(s) & Address(s)	THE FIRST AMERICAN NATIONAL BANK
	1011-2nd Street N, Suite 103		OF ST. CLOUD
	St. Cloud, MN 56301		ST. CLOUD, MINNESOTA 56301

TYPE OF SECURITY AGREEMENT: Consumer Goods Equipment Inventory for Resale or Lease
 Inventory, Accounts & Contract Rights Fixtures Farm Products
 General Intangible Items

The above named Debtor(s) hereinafter called Borrower (s) hereby grants to the above named Secured Party (hereinafter called Bank) a security interest in the following described property (hereinafter called Collateral and including all proceeds, products and accessions thereto):

One railroad car #11831

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INTERSTATE COMMERCE COMMISSION

All equipment together with all parts, accessories, repairs, improvements, substitutions, and replacements, therefore, at any time hereinafter made or hereafter at any time acquired by borrower or in which borrower obtains rights.

All property of every kind and description in which the Borrower has or may acquire any interest now or hereafter at any time in the control of the Bank for any reason including, without limitation, property delivered to the Bank as collateral for safekeeping, or for collection or exchange for other property, and all dividends and distributions on and other rights in connection with such property:

All inventory and personal property now owned or hereafter at any time acquired by Borrower, which is held for sale or lease, or is furnished or to be furnished under contracts of service, or is held as raw materials, work in process or materials used or consumed or to be used or consumed in Borrower's business, and all manufacturing and processing rights, patents, patent rights, licenses, trademarks, trade names and copyrights in connection therewith, including, without limiting the generality of the foregoing: All Documents of Title now existing or hereafter at any time acquired by Borrower and covering Goods of any type or kind hereinabove described;

All Accounts (rights to payment for Goods sold or leased or for services rendered) of Borrower now existing or hereafter at any time acquired:

All Contract Rights (rights to payment under a contract for the sale or lease of Goods or the furnishing of services, which rights have not been earned by performance) of Borrower now existing or hereafter at any time arising;

To secure payment to the Bank at its banking house at the address stated above all notes and all other indebtedness, liabilities, and obligations of Debtor to Secured Party, due or to become due, whether now existing or hereafter arising and howsoever evidenced or acquired, whether direct, indirect, absolute or contingent, or whether several, joint, or joint and several (hereinafter collectively called the "Obligations").

Borrower(s) Warrants and Agrees:

- The Collateral is or will be kept at the following location or locations if different than above.
Inventory Collateral: (street address, city, county, state)

Accounts and Contract Rights: (address of place or places where Borrower keeps its books and records concerning Accounts and Contract Rights if different than above)

and will not be removed from such location or locations unless, prior to any such removal, Borrower has given written notice to the Bank of the location or locations to which Borrower desires to remove the Collateral and the Bank has given its written consent to such removal.

- The Borrower is an Individual Partnership, Corporation or other organization.

The Collateral will will not be acquired by Borrower with the proceeds of the loan or advance made on or about the date hereof. If the Collateral will be so acquired, the Bank is authorized to disburse such proceeds directly to the seller of the Collateral.

The Borrower will use the Collateral primarily for personal, household, or family purposes; farming operations; business purposes. If the Collateral is or will become attached to real estate, is crops, timber to be cut, mined products, gas or oil to be extracted; The legal description of the real estate is:

_____ and the name of the record owner is _____

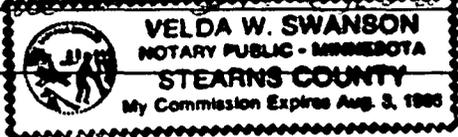
By signing below, the Borrower(s) agree(s) to all the provisions contained herein (including those set forth on the reverse side hereof) on the inception date listed at the top of this agreement.

Authorized Signature(s) of Secured Party sign below if filling this document.

Borrower _____ (Title)

By Barry J. Peterson its President (Title)

By Jennifer L. Peterson (Title)



3. The Collateral (except any thereof which Borrower, prior to the execution hereof, shall have advised the Bank in writing is of a type normally used in more than one state) will be kept at the address of Borrower set forth above, and will not be removed therefrom without the prior written consent of Bank.

4. If any of the Collateral is Equipment or Goods of a type normally used in more than one state (whether or not actually so used), Borrower will contemporaneously herewith furnish the Bank a list of the states wherein such Equipment or goods are or will be used, and hereafter will notify the Bank in writing (i) of any other states in which the Equipment or Goods are so used, and (ii) of any change in the location of Borrower's chief place of business.

5. If Collateral is Consumer Goods, Fixtures, or Equipment, Borrower will not sell, transfer, lease, or otherwise dispose of the Collateral, or attempt or offer to do any of the foregoing, without the prior written consent of the Bank, and unless the Proceeds of any such sale, transfer, lease, or other disposition are paid directly to the Bank. No provision contained in this Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained in the paragraphs pertaining to other types of Collateral.

6. The Bank shall have the authority, but shall not be obligated to: (a) notify any or all Account Debtors (as that term is defined in the Uniform Commercial Code) of the existence of the Bank's Security Interest and to pay or remit all sums due or to become due directly to the Bank or its nominee; (b) place on any Chattel Paper received as Proceeds a notation or legend showing the Bank's Security Interest; (c) in the name of the Borrower or otherwise, to demand, collect, receive and receipt for, compound, compromise, settle and give acquittance for, and prosecute and discontinue any suits or proceedings in respect of any or all of the Collateral; (d) take any action which the Bank may deem necessary or desirable in order to realize on the Collateral, including, without limitation, the power to perform any contract, to indorse in the name of Borrower any checks, drafts, notes, or other instruments or documents received in payment of or on account of the Collateral; (e) to place upon Borrower's books and records relating to the Accounts and Contract Rights covered by the Security Interest granted hereby a notation or legend stating that such Account or Contract Right is subject to a Security Interest held by the Bank, and (f) after any Default, to enter upon and into and take possession of all or such part or parts of the properties of Borrower, including lands, plants, buildings, machinery, equipment and other property as may be necessary or appropriate in the judgment of the Bank to permit or enable the Bank to manufacture, produce, process, store or sell or complete the manufacture, production, processing, storing or sale of all or any part of the Collateral, as the Bank may elect and to use and operate said properties for said purposes and for such length of time as the Bank may deem necessary or appropriate for said purposes without the payment of any compensation to Borrower therefor.

7. Borrower will collect all Accounts until receipt of notice from the Bank to notify all Account Debtors of the existence of the Bank's Security Interest. Borrower will hold all of the Proceeds of such collections and all returned and repossessed Goods in trust for the Bank, and will not commingle the same with any other funds or property of the Borrower, and will deliver the same forthwith to the Bank at its request; provided, however, that with respect to return and repossessed Goods, Borrower will on demand pay to the Bank the full invoice or contract price thereof.

8. Borrower will not grant to any Account Debtor any rebate, refund, allowance, or credit on any Account without the prior written consent of the Bank.

9. Borrower will not sell, lease or otherwise dispose of any Inventory Collateral other than in the ordinary course of its business at prices constituting the then fair market value thereof, or at the Minimum Release Price therefor contained herein or in any Supplement to Security Agreement further describing Inventory Collateral concerned. Borrower will not sell, transfer, lease or otherwise dispose of any Collateral other than Inventory Collateral, or attempt or attempt to do so, without the prior written consent of the Bank. Borrower agrees to account for and pay over or deliver to the Bank all Proceeds of all Collateral promptly upon receipt thereof.

10. Borrower will keep accurate books, records and accounts with respect to the Collateral, and with respect to the general business of Borrower, and will make the same available to the Bank at its request for examination and inspection; and will make and render to the Bank such reports, accountings and statements as the Bank from time to time may request with respect to the Collateral; and will permit any authorized representative of the Bank to examine and inspect during normal business hours, any and all premises where the Collateral is or may be kept or located.

11. Borrower will keep the Collateral (and all lands, plants, buildings, machinery, equipment and other property now or hereafter at any time owned or used by Borrower in connection with the manufacture, processing, production, storage, sale or lease of the Collateral) in good condition and insured against such risks and in such amounts as the Bank may request, and with an insurance company or companies satisfactory to the Bank, the policies to protect the Bank as its interest may appear and to be delivered to the Bank at its request.

12. Borrower has or will acquire title to and will at all times keep the Collateral free of all liens and encumbrances, except the Security Interest created hereby, and has full power and authority to execute this Security Agreement, to perform Borrower's obligations hereunder, and to subject the Collateral to the Security Interest created hereby. No financing statement covering all or any part of the Collateral, except any which may have been filed by the Bank, is on file in any public office.

13. Upon default by Borrower in any of the preceding agreements, the Bank at its option may (i) effect such insurance and repairs and pay the premiums therefor and the costs thereof and (ii) pay and discharge any taxes, liens, and encumbrances on the Collateral. All sums so advanced or paid by the Bank shall be payable by Borrower on demand with interest at the maximum rate allowed by law and shall be a part of the Secured Obligations.

14. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as the Bank may request to establish and maintain a valid Security Interest in the Collateral, and will pay all costs of filing and recording.

15. The occurrence of any of the following events shall constitute a Default: (a) failure of Borrower, or of any co-maker, indorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of Borrower contained herein; (c) any statement, representation, or warranty of Borrower made herein or at any time furnished to the Bank is untrue in any respect as of the date made; (d) entry of any judgment against Borrower; (e) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any portion of the Collateral, or the making of any levy, seizure, or attachment thereof; (f) Borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against Borrower alleging that it is insolvent or unable to pay its debts as they mature; (g) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (h) dissolution, consolidation, or merger, or transfer of a substantial part of the property of any Borrower which is a corporation or partnership; (i) such a change in the condition or affairs (financial or otherwise) of Borrower or any co-maker, indorser, surety or guarantor of any of the Secured Obligations as in the opinion of the Bank impairs the Bank's security or increases its risk; or (j) the Bank deems itself insecure for any reason whatsoever.

16. Whenever a Default shall exist, the Bank may, at its option and without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and the Bank may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law.

17. Borrower agrees, in the event of Default, to make the Collateral available to the Bank at a time or places acceptable to Bank, and to pay all costs of the Bank, including reasonable attorney's fees, in the collection of any of the Secured Obligations and in the enforcement of any of the Bank's rights. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to the Borrower at the address shown below.

18. No delay or failure by the Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. In case any one or more of the provisions of this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, and unenforceability shall not affect any other provision of this agreement.

19. If more than one party shall sign this Agreement, the term "Borrower" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder.

