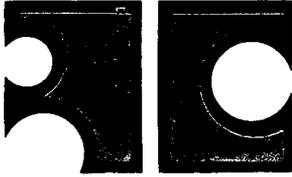


the first citizens state bank

4-0821075



RECORDATION NO. 14297 FILED 1425

March 16, 1984

No.
 Date MAR 22 1984
 Fee \$ 100.00
 ICC Washington, D.C.

MAR 22 1984 -10 15 AM

INTERSTATE COMMERCE COMMISSION

Miss Mildred Lee
 Room 2303
 Interstate Commerce Commission
 12th Constitutional Avenue, N. W.
 Washington, D. C. 20423

RECORDATION NO. 14297 FILED 1425

MAR 22 1984 -10 15 AM
 INTERSTATE COMMERCE COMMISSION

Attn: Miss Davis

Re: Southeastern Wisconsin Transportation Corporation and Wisconsin Business Development Corporation (WBDFC)

Dear Miss Lee:

Enclosed please find two General Business Security Agreements, with attachments, along with a certified copy of each. We are asking that you record our lien interest in the various assets of the corporation and return the original Security Agreements with the recording data to us at your earliest convenience. I have enclosed a self-addressed, stamped envelope for their return to us.

I am enclosing our check in the amount of \$100.00 to cover the recording fee.

If you have any questions in regard to this matter, please feel free to contact me.

With best regards,

James K. Caldwell
James K. Caldwell
President

JKC:slm

Enclosures

MAR 22 10 07 AM '84
FEE OPERATION 20



SINCE 1863 414 / 473-2112
CORNER OF SECOND AND MAIN / WHITEWATER, WISCONSIN 53190

WHITEWATER LAKE BRANCH

Corner of County Trunk P and Kettle Moraine Drive

Interstate Commerce Commission
Washington, D.C. 20423

3/22/84

OFFICE OF THE SECRETARY

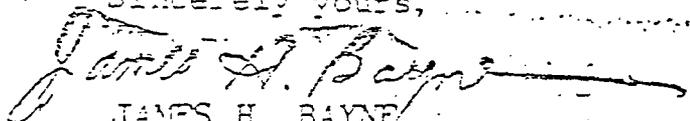
**James K. Caldwell, President
The First Citizens State Bank
Corner Of Second & Main
White Water, Wisconsin 53190**

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 **3/22/84** at **10:15am** and assigned re-
recording number(s).

14297 & 14297-A

Sincerely yours,


JAMES H. BAYNE
Secretary

Enclosure(s)

**Next time put the names of the parties to the transaction & their
addresses in the transmittal letter. Thank You:**

**Mrs. Mildred Lee
Coveyance Examier:**

SE-30
(7/79)

1. SECURITY INTEREST

The undersigned ("Debtor", whether one or more) grants The First Citizens State Bank of Whitewater ("Bank") a security interest in all Debtor's equipment, fixtures, inventory (including all goods held for sale, lease or demonstration or to be furnished under contracts of service, goods leased to others, trade-ins and repossessions, raw materials, work in process and materials or supplies used or consumed in Debtor's business), instruments relating to inventory, general intangibles, accounts, contract rights, chattel paper and instruments, whether now owned or hereafter acquired, and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, all returned or repossessed goods the sale of which gave rise to and all proceeds and products of the foregoing ("Collateral"), wherever located, to secure all debts, obligations and liabilities of any Debtor to Bank arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Bank to any Debtor, to any Debtor and another, or to another guaranteed or indorsed by any Debtor ("Obligations"). This General Business Security Agreement represents a **secondary interest in the aforesaid collateral; however, it represents a first and paramount lien as it relates to collateral described 2. DEBTOR'S WARRANTIES on the attached Exhibits I-VI.** (Face sheets only-see detailed exhibits attached to GBSA from "SPC" to "LDC")

Debtor warrants that while any of the Obligations are unpaid: (a) **OWNERSHIP.** Debtor is the owner of the Collateral free of all encumbrances and security interests (except Bank's security interest), and chattel paper constituting Collateral evidencing a perfected security interest in the goods covered by it, free from all other encumbrances and security interests, and no filing statement (other than Bank's) is on file covering the Collateral or any of it. If inventory is represented or covered by documents of title, Debtor is the issuer of the documents, free of all encumbrances and security interests other than Bank's security interest.

(b) **SALE OF GOODS OR SERVICES RENDERED.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine bills of lading, shipping documents or receipts.

(c) **ENFORCEABILITY.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by each account or by each contract right or by each chattel paper is the amount actually owed and is not subject to setoff, credit, allowance or adjustment, except discount for payment, nor has any account debtor returned the goods, or disputed his liability.

(d) **DUE DATE.** There has been no default as of this date according to the terms of any Collateral and no step has been taken to foreclose the security interest or to otherwise enforce its payment.

(e) **FINANCIAL CONDITION OF ACCOUNT DEBTOR.** As of this date Debtor has no notice or knowledge of anything which might impair the ability of any account debtor.

(f) **VALID INCORPORATION.** If a corporation, Debtor is duly organized, validly existing and in good standing under the laws of the state or foreign jurisdiction in which it is organized and if a foreign corporation is licensed to do business in Wisconsin.

(g) **OTHER AGREEMENTS.** Debtor is not in default under any agreement for the payment of money.

(h) **AUTHORITY TO CONTRACT.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's Articles of Incorporation, By-Laws or any agreement or restriction to which Debtor is a party or is subject.

(i) **ACCURACY OF INFORMATION.** All information, certificates or statements given to Bank pursuant to this Agreement shall be true and complete.

(j) **ADDRESSES.** The address of Debtor's residence, or if a corporation or partnership, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of the Debtor's chief executive office, is shown opposite Debtor's signature. The address where the Collateral will be stored is different from that appearing opposite Debtor's signature, is (See legal description below.)

Such locations shall not be changed without prior written consent of Bank, but the parties intend that the Collateral, wherever located, is covered by this Agreement.

(k) **CHANGE OF NAME OR ADDRESS.** Debtor shall immediately advise Secured Party in writing of any change in name or address.

(l) **FIXTURES.** If any of the Collateral is affixed to real estate, the legal description of the real estate is:

Real estate located in the railroad corridor running through Wisconsin counties of Dane, Green, Jefferson, Rock, Walworth, and Waukesha, and Illinois county of Stephenson, and now operated by Southeastern Wisconsin Transportation Corporation, d/b/a Central Wisconsin Railroad Company. (See attached map and Exhibit V.)

44297
REGISTRATION NO. FILE 2425

MAR 22 1984 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

3. SALE AND COLLECTIONS

(a) **SALE OF INVENTORY.** So long as no default exists under any of the Obligations or this Agreement, Debtor may (a) sell inventory in the ordinary course of Debtor's business for cash or on terms approved by Bank, at prices not less than any minimum sale price shown on instruments evidencing Obligations and (b) with the prior written consent of Bank, lease inventory on terms approved by Bank.

(b) **VERIFICATION AND NOTIFICATION.** Bank may verify Collateral in any manner, and Debtor shall assist Bank in so doing. Upon default Bank may require Debtor to, and Debtor shall, upon request of Bank, notify the account debtors to make payment directly to Bank and Bank may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors. Until account debtors are so notified, Debtor, as agent of Bank, shall make collections on the Collateral. Bank may at any time notify the bailee of any Collateral of Bank's security interest.

(c) **DEPOSIT WITH BANK.** At any time Bank may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Bank, shall not be commingled with any other funds or property of Debtor and shall be turned over to Bank in precisely the form received (but reduced by Debtor if necessary for collection) not later than the business day following the day of their receipt. All proceeds of Collateral received by Bank from or for Debtor shall be applied against the Obligations in such order and at such times as Bank shall determine.

4. DEBTOR'S COVENANTS

Debtor agrees:

(a) **MAINTENANCE OF COLLATERAL.** Debtor shall maintain the Collateral in good condition and repair and not permit it to be impaired, damaged, lost, destroyed, or encumbered by any other liens, encumbrances and security interests (other than Bank's security interest); defend it against all claims and legal proceedings by persons other than Bank; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease or otherwise dispose of it or permit it to be used, transferred or an accession to other goods, except for sales or leases of inventory as provided in this Agreement, not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments and chattel paper, preserve rights in it against prior parties. Loss or destruction of the Collateral shall not release Debtor from any of the Obligations.

(b) **INSURANCE.** Debtor shall keep the Collateral and Bank's interest in it insured under policies with such provisions, for such amounts and by such carriers as shall be satisfactory to Bank from time to time, and shall furnish evidence of such insurance satisfactory to Bank. Debtor assigns (and directs any agent to assign) to Bank the proceeds of all such insurance and any premium refund, and authorizes Bank to indorse in the name of Debtor any instrument for payment of proceeds or refunds and, at the option of Bank, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to the payment of the Collateral, returning any excess to Debtor. Bank is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims for loss of credit insurance financed by Bank or any insurance on the Collateral, or cancel the same after the occurrence of an event of default.

(c) **MAINTENANCE OF SECURITY INTEREST.** Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by Bank to preserve the Collateral or to establish, determine priority of, perfect, continue perfected, terminate and/or enforce Bank's interest in it or rights under the Agreement.

(d) **COLLATERAL RECORDS AND STATEMENTS.** Debtor shall keep accurate and complete records respecting the Collateral in such form as Bank may require. At such times as Bank may require, Debtor shall furnish to Bank a statement certified by Debtor and in such form as Bank may require, containing such information as may be prescribed by Bank, showing the current status and value of the Collateral.

(e) **INSPECTION OF COLLATERAL.** At reasonable times Bank may examine the Collateral and Debtor's records pertaining to it, wherever located, and Debtor shall assist Bank in so doing.

(f) **SERVICE CHARGE.** In addition to the required payments under the Obligations and this Agreement, Debtor shall pay Bank's then current service charge for servicing and auditing in connection with this Agreement.

(g) **CHATTEL PAPER.** Chattel paper constituting Collateral shall be on forms approved by Bank. Debtor shall promptly mark all such chattel paper, and shall conspicuously indicate the Bank's interest and, upon request, deliver them to Bank.

(h) **UNITED STATES CONTRACTS.** If any accounts or contract rights constituting Collateral arose out of contracts with the United States or any of its agencies or instrumentalities, Debtor will notify Bank and execute writings required by Bank in or for that all money due or to become due under such contracts shall be assigned to Bank and proper notice of the assignment given under the Federal Assignment of Claims Act.

(i) **MODIFICATIONS.** Without the prior written consent of Bank, Debtor shall not alter, modify, extend, renew or cancel any Collateral.

(j) **RETURNS AND REPOSSESSIONS.** Debtor shall promptly notify Bank of the return to or repossession by Debtor of goods in which any Collateral is represented. Bank shall hold and dispose of the goods as Bank directs.

5. RIGHTS OF BANK

(a) **AUTHORITY TO PERFORM FOR DEBTOR.** Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Bank is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Bank at the highest rate stated in any evidence of the Obligation but not in excess of the maximum rate permitted by law.

(b) **CHARGING DEBTOR'S CREDIT BALANCE.** Debtor grants Bank, as further security for the Obligations, a security interest and lien in any credit balance and other money now or hereafter owed Debtor by Bank or any assignee of Bank and, in addition, agrees that Bank may, at any time after the occurrence of any event of default, without prior notice or demand, setoff against any such credit balance or other money any amount owing upon the Obligations.

(c) **POWER OF ATTORNEY.** Debtor irrevocably appoints any officer of Bank as Debtor's attorney, with power to receive, open and dispose of all mail addressed to Debtor; to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Bank may designate and to endorse the name of Debtor upon any instruments which may come into Bank's possession. Debtor agrees that Obligations may be created by drafts drawn on Bank by shippers of inventory named in section 9. Debtor authorizes Bank to honor any such draft when accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor. Debtor appoints any employee of Bank as Debtor's attorney, with full power to sign drafts drawn on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Bank. Such instruments shall be payable at fixed times or on demand, and shall bear interest at the rate from time to time fixed by Bank and Debtor agrees, upon request of Bank, to execute such instruments. This power of attorney may be revoked by Debtor only by written notice to Bank and no such revocation shall affect any drafts executed prior to the receipt by Bank of such notice. All acts of such attorney are ratified and approved and he is not liable for any act or omission resulting from any error of judgment or mistake of fact or law.

(d) **NON-LIABILITY OF BANK.** Bank has no duty to determine the validity of any invoice, the authority of any shipper named in section 9 to ship goods to Debtor or compliance with any order of Debtor. Bank has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against third parties. Debtor releases Bank from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Bank's willful misconduct.

6. DEFAULT

Upon the occurrence of one or more of the following events of default,

Nonperformance. Debtor fails to pay when due any of the Obligations or to perform, or rectify breach of, any warranty or other undertaking by Debtor in this Agreement or in any evidence of or document relating to the Obligations;

Inability to Perform. Debtor or a surety for any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings;

Misrepresentation. Any representation made to induce Bank to extend credit to Debtor, under this Agreement or otherwise, is false in any material respect when made; or

Insecurity. Any other event which causes Bank in good faith to deem itself insecure;

the Obligations shall, at the option of Bank and without any notice or demand, become immediately payable; and Bank shall have all rights and remedies provided by the Wisconsin Uniform Commercial Code, as well as any other applicable law and any evidence of or document relating to the Obligations. With respect to such rights and remedies,

(a) **REPOSSESSION.** Bank may take possession of Collateral without notice or hearing, which Debtor waives.

(b) **ASSEMBLING COLLATERAL:** Bank may require Debtor to assemble the Collateral and to make it available to Bank at any convenient place designated by Bank.

(c) **NOTICE OF DISPOSITION.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (starting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

(d) **EXPENSES AND APPLICATION OF PROCEEDS.** Debtor shall reimburse Bank for any expense incurred by Bank in protecting or enforcing its rights under this Agreement including, without limitation, reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition and disposing of the Collateral. After deduction of such expenses, Bank may apply the proceeds of disposition to the Obligations in such order of priorities as it elects.

(e) **WAIVER.** Bank may permit Debtor to remedy any default without waiving the default so remedied, and Bank may waive any default without waiving any other subsequent or prior default by Debtor.

7. PERSONS BOUND

The obligations hereunder of all Debtors are joint and several. This Agreement benefits Bank, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns.

8. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code. Invalidation of any provision of this Agreement shall not affect the validity of any other provision.

9. SHIPPERS

Shippers authorized to draw drafts on Bank are:

10. OTHER PROVISIONS

As a part of the consideration for this agreement, secured party will lend Debtor at any time upon his request one dollar (\$1.00) and such other amounts as secured party in his sole discretion agrees to lend, under such terms and conditions as may then be agreed upon by the parties, using the collateral as security.

Signed and Sealed on March 8, 19 84

WISCONSIN BUSINESS DEVELOPMENT
FINANCE CORPORATION (WBDFC)

By: John M. Gysel (SEAL)
DEBTOR

Address: 217 S. Hamilton, Suite 405
SEE SECTION 2(j)

Madison, Wisconsin 53703

County: Dane

* _____ (SEAL)
DEBTOR

* Type or print name signed above:

EXHIBIT I

SUMMARY OF WORK PAPERS FOR APPROXIMATELY \$89,800.00 FOR LABOR EXPENSE, EQUIPMENT PURCHASES, ENGINE REPAIR AND INVOICES COVERING CERTAIN EQUIPMENT ITEMS FOR REBUILDING ENGINES # 782, 783, and 736.

I(A) - Ledger Sheet covering engine rebuilding costs

I(B) - I(I) - Certain equipment invoices

I(J) - Ledger Sheets and Invoices for material supplies, labor, and shop overhead for rebuilding and repair of Engines # 782, 783 & 736. (This consists of 53 pages of header sheets entitled "Analysis of Equipment Maintenance".)

I(K) - Summary of Capitalized Costs of Rebuilding Locomotives # 783, 782, 781, 736 & 10.

I(L) - Federal Railroad Administration Cards #782 & 783.
(a) & (b)

John J. Zabel
3/8/84

EXHIBIT II

INVOICES AND CHECK COPIES COVERING THE
PURCHASE OF SEVEN (7) FAIRBANKS DIESEL
1200 H.P. LOCOMOTIVES

II(A) - Ck. #2794 for \$10,500 to Soo Line Railroad
II(B) - Invoice, Milwaukee Road \$24,000.00
II(C) - Invoice, Milwaukee Road \$46,000.00
II(D) - Memorandum Supplement

John A. Zerbe
2/8/84

EXHIBIT III

III(A) - INVOICE FOR TWO RAILROAD TANK CARS

John A. Zobel
3/8/84

EXHIBIT IV

RECAP OF ATTACHED INVOICES

EVIDENCE OF PURCHASE OF SECTION CARS,
SECTION MAINTENANCE GANG MACHINE, SHOP
MACHINERY, AND OFFICE EQUIPMENT LISTING

IV(A) - American Investment Management, Inc.	\$	230.00
IV(B) - Joe Grivetz		750.00
IV(C) - Wisconsin & Southern Railroad Co.		600.00
IV(D) - Independent Machine Company		2,714.46
IV(E) - Hader Industries, Inc.		913.50
IV(F) - McMaster-Carr Supply Company		924.00
IV(G) - Jensen Equipment Co.		1,054.60
IV(H) - Office of Material Disposition		525.00
IV(I) - Chippewa River RR Co. & WI Dept. of Trans.		2,500.00
IV(J) - National Telecom, Inc.		7,223.38
IV(K) - Badger Office Supplyhouse, Inc.		3,995.78
IV(L) - Radio Shack		2,362.50
IV(M) - Inventory Listings		18,000.00
IV(N) - Inland Material Handling, Inc.		10,380.00
IV(O) - Memorandum Supplement		

John J. Zobel
3/8/84

EXHIBIT V

V(A) - LEASEHOLD IMPROVEMENTS TO RAILROAD TRACK AND RIGHT-OF-WAY AS COVERED BY THE FOLLOWING DESCRIPTION OF TRACKAGE, AND ALSO FURTHER ILLUSTRATED BY THE ATTACHED MAP SHOWING MILE MARKERS, WHICH IS MARKED EXHIBIT V(A).

On Central Wisconsin Railroad Company milepost #19.5 at Waukesha in Waukesha County, through C.W.R.C. mile mark #61.7 at east Y, Milton Junction, Wisconsin (passing through Wisconsin counties of Waukesha, Jefferson, Walworth and Rock).

On C.W.R.C. mile post #11.0 at Janesville, Wisconsin, to C.W.R.C. mile post #43.2 at Monroe, Wisconsin (passing through Wisconsin counties of Rock and Green). Then going from C.W.R.C. mile post #61.4 in Madison, Wisconsin to mile post #2.4 at West Junction, Illinois (passing through Wisconsin counties of Dane and Green).

V(B) - Summary of labor distribution on above-described track rehabilitation which totals in excess of \$50,000.00.

V(C)- V(G) - Invoices of ties, equipment and improvements made to above-described track.

John A. Zerkel
3/8/84

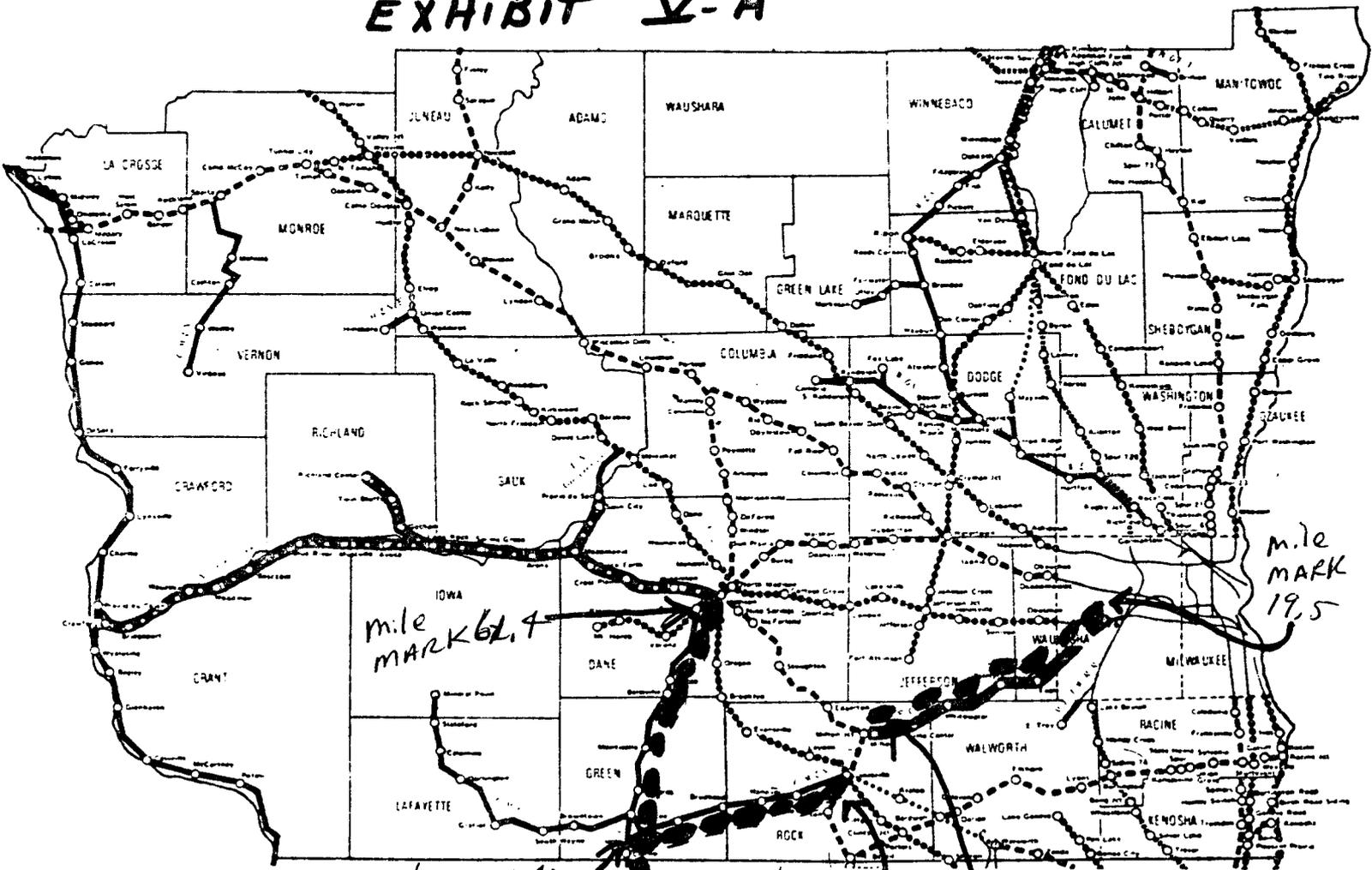
EXHIBIT VI

- VI(A) - MAP OF RAILROAD IMPROVEMENTS AT UNIVERSITY OF WISCONSIN-MADISON HEATING PLANT SPUR
- VI(B) - INVOICES COVERING PAYMENT FOR ABOVE-DESCRIBED UNIVERSITY OF WISCONSIN-MADISON HEATING PLANT SPUR
- VI(C) - MEMORANDUM SUPPLEMENT

John J. Fabel
3/8/84

Wisconsin Western

EXHIBIT V-A



●●● Rehabilitation of Track & Improvements

John A. Jabel