

**OSTER**  
**Researching Services**

12897 Colonial Dr. • Mt. Airy, Md. 21771  
301-253-6040

December 30, 1993

18630 0100078001  
RECORDATION NO. FILED 1425

DEC 30 1993 -8 45 AM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee  
Recordations Unit  
Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

18630/A  
RECORDATION NO. FILED 1425

DEC 30 1993 -8 45 AM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed is a Security Agreement dated December 22, 1993, between the following parties:

Secured Party: Key Bank USA N.A.  
54 State Street  
Albany, NY 12207

Debtor: Mid-Am Equipment, Inc.  
1819 South Dobson Road  
Mesa, AZ 85202

The equipment involved in this transaction is listed on Schedule A to the Security Agreement.

Also enclosed is an Assignment of Railway Car Lease and Security Agreement dated December 22, 1993, a supplement to the above document, between the following parties:

Assignor: Mid-Am Equipment, Inc.

Assignee: Key Bank USA N.A.

The filing fee of \$36 is enclosed. Thank you for your assistance.

Sincerely,

*Mary A. Oster*

Mary Ann Oster  
Research Consultant

Enclosures

*Mary A. Oster*

LICENSING BRANCH

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RECEIVED  
OFFICE OF THE  
SECRETARY

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Date: December 22, 1993

Mid-Am Equipment, Inc., a Delaware corporation, with its principal place of business at 1819 South Dobson Road, Mesa, AZ 85202 ("Borrower") hereby grants to Key Bank USA N.A., a Delaware corporation, with its principal place of business at 54 State Street Albany, New York 12207 ("Key") a security interest in the following property and any and all accessories, attachments, additions and accessions thereto (all hereinafter called the "Collateral"):

DESCRIPTION OF COLLATERAL

See Schedule "A" annexed hereto and made a part hereof

to secure payment and performance of all present and future debts, obligations, and liabilities of the Borrower, jointly and severally, to Key pursuant to that certain Promissory Note dated December 22, 1993 (the "Note"), made by Borrower in favor of Key, the terms of which are incorporated herein by this reference (the "Obligations")

Borrower warrants, covenants and agrees:

1. Except for the security interest granted hereby, the Borrower is the owner of the Collateral free from any liens, security interest, encumbrance or other right, title or interest of any other person, firm or corporation, and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.
2. The Collateral is bought or used primarily for business use, and the Borrower's chief place of business is that shown at the beginning of this agreement. Borrower will not change the location of such chief place of business without giving Key fifteen days' prior written notice.
3. Borrower is acquiring ownership of the Collateral from the proceeds of the loan evidenced hereby and by Borrower's Note above referred to, and Key has been and is authorized to disburse the proceeds of the loan directly to, or the Borrower will remit such proceeds directly to, the seller of the Collateral.
4. If the Collateral is or is to be attached to, installed in or located on real estate in such manner as to become fixtures, the description of the real estate is as follows: N/A, and the name(s) of the known owner(s) are: N/A. Borrower will upon demand of Key furnish a disclaimer or disclaimers, signed by all of the persons having an interest in said real estate, of any right, title, interest or lien upon the Collateral prior to the security interest of Key pursuant hereto.

5. If certificates of title are issued, required to be issued or are outstanding with respect to any of the Collateral Borrower will cause the interest of Key to be properly noted upon such certificates and will furnish Key with proof thereof.

6. Borrower will not offer to sell the Collateral or any interest therein or place the Collateral in the custody, control or possession of any other person without the prior written consent of Key.

8. In the event of a loss, theft or damage to the equipment, any insurance proceeds shall be payable to KCL and Borrower as their interests may appear.

9. Borrower will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, will not waste or destroy the Collateral or any part thereof, and will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any Note or Notes evidencing the Obligations. Borrower will not use the Collateral in violation of any statute or ordinance; and Key may examine and inspect the Collateral at any time, wherever located, and at Key's request Borrower will disclose the exact location of the Collateral.

10. No financing statement or security agreement covering the Collateral or any proceeds thereof (except with respect to the security interest provided for herein) is on file in any public office and at the request of Key, Borrower will join with Key in executing one or more financing statements pursuant to the Uniform Commercial Code ("UCC") in form satisfactory to Key and will pay the cost of filing the same or filing or recording this agreement in all public offices wherever filing or recording is deemed by Key to be necessary or desirable. Borrower hereby authorizes Key to file such financing statements without the signature of Borrower. In the event for any reason the law of any other jurisdiction than the State of New York becomes or is applicable to the Collateral or any part thereof, Borrower agrees to execute and deliver all such instruments and to do all such other things as Key may deem necessary or appropriate to preserve, protect and enforce the security interest of Key under the law of such other jurisdiction.

11. Borrower shall be in default under this agreement upon the happening of any of the following events or conditions (each, an "Event of Default"): (a) default in the punctual payment or performance of any Obligation referred to herein, or any part thereof; (b) default in the punctual performance of any covenant or agreement contained or referred to herein or in the Note; (c) any warranty, representation or statement made or furnished to Key by or on behalf of Borrower proves to have been false in any material respect when made or furnished; (d) 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; (e) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of, or attachment of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or any guarantor or surety for Borrower; (f) such a change in the condition or affairs (financial or otherwise) of Borrower or of any endorser, guarantor or surety for any Obligation of Borrower to Key as in the opinion of

Key impairs its security or increases its risks.

12. Upon the occurrence of any of the Events of Default set forth in Paragraph 11 hereof, Key may declare all Obligations secured hereby immediately due and payable, and shall have the rights and remedies of a secured party under the UCC of the State of New York (regardless of whether such UCC or a law similar thereto has been enacted in the jurisdiction where the rights or remedies are asserted), including, without limitation, the right in Key to take possession of the Collateral without legal process, and for that purpose Key may enter any premises where the Collateral may be found without legal process, and Key may sell the Collateral at public or private sale. Key may require Borrower at Borrower's expense to assemble the Collateral and make it available to Key at a place to be designated by Key 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, Key will give Borrower 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. Such requirement of reasonable notice shall be met if such notice is mailed, postage pre-paid, to the address of Borrower shown at the beginning of this agreement at least five days before the time of the sale or disposition. Borrower shall be and remain liable for any deficiency remaining after applying the proceeds of disposition of the Collateral first to the reasonable expenses of retaking, holding, preparing for sale, selling, leasing, and the like, including reasonable attorney's fees and legal expenses incurred by Key in connection therewith, or in exercising any of its rights or remedies hereunder (which Borrower agrees to pay), and then to the satisfaction of the Obligations secured hereunder.

13. At its option, Key may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, and may pay for insurance on the Collateral, and Borrower agrees to reimburse Key on demand for any payment made or any expense incurred thereby. So long as no Event of Default has occurred Borrower may have possession of the Collateral and use it in any lawful manner pursuant to and not inconsistent with this agreement and not inconsistent with any policy of insurance thereon. Borrower shall deliver to Key Borrower's annual financial statements certified by an independent public accountant. Borrower shall also deliver to Key such other financial reports, information or data as Key may from time to time reasonably request.

14. No warranties, express or implied, and no representation, promises or statements have been made by Key unless endorsed hereon in writing. Any provision of this agreement prohibited by the law of any state shall, as to said state, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof. This agreement has been accepted in the State of New York and all rights, duties and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of New York. All terms used herein which are defined in the UCC shall have the same meanings herein as in the UCC. The rights of Key specified in this agreement shall be in addition to, and not in limitation of, Key's rights under the UCC, as amended from time to time, or any other statute or rules of law conferring rights similar to those conferred by the UCC, or of Key's rights under any other

agreement, Note or instrument signed by Borrower.

15. No waiver by Key of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of Key hereunder shall inure to the benefit of its successors and assigns; and all duties and obligations of Borrower shall bind his heirs, executors or administrators or his or its successors or assigns. If there be more than one Borrower, their duties and obligations hereunder shall be joint and several. This agreement shall become effective when it is signed by Borrower and need not be executed by Key. If at any time the same is executed by Key, it shall be for the sole purpose of filing the same as a security agreement under the UCC or any similar law in any jurisdiction if the execution hereof by Key is required for such purpose.

Signed and delivered on the day and year first above written.

Borrower: Mid-Am Equipment, Inc.

X  
By: Robert J. Schrock  
Signature  
PRESIDENT  
Title

X  
(Corporate Seal)

CORPORATE ACKNOWLEDGEMENT

State of Arizona )  
County of Maricopa ) ss:

X

On this 22ND day of DECEMBER, in the year Nineteen Hundred and 93, before me the subscriber, personally appeared ROBERT J. SCHROEDER who being by me duly sworn did depose and say: that he resides at 2422 S. LOS ALTOS, MESA, AZ, that he is the PRESIDENT of MID-AM EQUIPMENT INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Notary Public

Robert Lyle Chart

My commission expires: 1-16-95

SCHEDULE "A"

**KEY:**  
KEY BANK USA N.A.  
54 STATE STREET  
ALBANY, NY 12207

**BORROWER:**  
MID-AM EQUIPMENT, INC.  
1819 DOBSON ROAD  
MESA, AZ 85274

CAR NUMBERS

LINED:

<u>OLD</u>	<u>NEW</u>	<u>OLD</u>	<u>NEW</u>
DOWX 3709	PSPX 11251	DOWX 3739	PSPX 11259
DOWX 3711	PSPX 11252	DOWX 3740	PSPX 11260
DOWX 3713	PSPX 11253	DOWX 3743	PSPX 11261
DOWX 3723	PSPX 11254	DOWX 3745	PSPX 11262
DOWX 3726	PSPX 11255	DOWX 3746	PSPX 11263
DOWX 3732	PSPX 11256	DOWX 3747	PSPX 11264
DOWX 3734	PSPX 11256, 7 <i>Rgt</i>	DOWX 3748	PSPX 11265
DOWX 3738	PSPX 11258	DOWX 3755	PSPX 11266

UNLINED:

<u>OLD</u>	<u>NEW</u>	<u>OLD</u>	<u>NEW</u>
DOWX 3714	PSPX 11351	DOWX 3729	PSPX 11356
DOWX 3718	PSPX 11352	DOWX 3737	PSPX 11357
DOWX 3721	PSPX 11353	DOWX 3741	PSPX 11358
DOWX 3724	PSPX 11354	DOWX 3753	PSPX 11359
DOWX 3725	PSPX 11355	DOWX 3757	PSPX 11360