

2-359A005



FARMERS & MERCHANTS BANK and TRUST CO.
POST OFFICE BOX 209 PHONE 605-698-3978
SISSETON, SOUTH DAKOTA 57262-0209

December 21, 1992

RECORDATION DIV 18051 FILED 1992

DEC 24 1992 9:05 AM

INTERSTATE COMMERCE COMMISSION

DEC 24 9 52 AM '92
MOTOR VEHICLE UNIT

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitutional Avenue NW RM 2303
Washington, DC 20423

Dear Mildred Lee;

Please find enclosed an original and a copy of the following:

1. Note executed by Rail Car Co. Inc. in favor of Farmers and Merchants Bank and Trust Co., Sisseton Branch,
2. Security Agreement by Rail Car Co., Inc. in favor of Farmers and Merchants Bank and Trust Co., Sisseton Branch,
3. Financing Statement by Rail Car Co., Inc. in favor of Farmers and Merchants Bank and Trust Co., Sisseton Branch.

I have also enclosed \$16 to cover the cost of the filing of the Security Agreement.

Rail Car Co., Inc. is purchasing 32 rail cars. Farmers and Merchants is lending money to Rail Car Co., Inc. to help in the purchase. Farmers and Merchants Bank is requesting ICC to create a security filing on the 32 cars listed on the enclosed security agreement in its favor.

The name and addresses of the parties are as follows:

Rail Car Co., Inc.
14 East Kemp
PO Box 304
Watertown, SD 57201
PH: 605-886-4939

Farmers and Merchants Bank and Trust Co.
PO Box 209
Sisseton, SD 57262
PH: 605-698-3978
FAX: 605-698-7913

Sincerely,

Richard Rylance
Vice President and Manager

bk

Interstate Commerce Commission
Washington, D.C. 20423

12/29/92

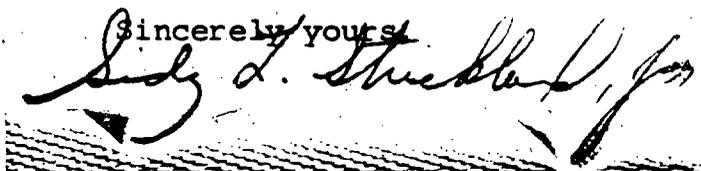
OFFICE OF THE SECRETARY

Richard Rylance
Vice President & Manager
FM Bank & Trust Company
P.O.Box 209
Sisseton, South Dakota 57262-0209

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 12/24/92 at 10:05am, and assigned re-
recording number(s). 18051 18051-A & 18051-B

Sincerely yours,



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

SE-30
(7/79)

Steeny Ayres

FARMERS & MERCHANTS BANK AND TRUST CO.
 BOX 1210
 ABERDEEN, SOUTH DAKOTA 57401
 BRANCHES AT CRESBARD, NEW EFFINGTON, AND SISSETON

LENDER'S NAME AND ADDRESS
 "You" means the Lender, its successors and assigns.

BORROWER'S NAME AND ADDRESS
 ("I" includes each Borrower above, jointly and severally.)

Loan Number _____
 Date _____
 Maturity Date _____
 Loan Amount \$ _____
 Renewal Of _____

TERMS FOLLOWING A APPLY ONLY IF CHECKED

NOTE - For value received, I promise to pay to you, or your order, at your address above, the principal sum of _____ Dollars \$ _____

plus interest from 12/28/92 at the rate of 8 % per year until _____

ADDITIONAL FINANCE CHARGE - I also agree to pay a nonrefundable fee of \$ _____ and it will be paid in cash, paid pro rata over the loan term.
 withheld from the proceeds. (If this fee is withheld from the proceeds, the amount is included in the principal sum.)

VARIABLE RATE - The rate above may change so as always to be _____ the following index rate: _____
 as respect to change totally at the bank's discretion

The interest rate may not change more than _____ % each
 The annual interest rate in effect on this note will not at any time be more than _____ % or less than _____ %. The interest rate in effect on this note may change (as often as) _____ (assuming there is a change in the base rate) and an increase in the interest rate will cause an increase in the amount of each scheduled payment, the amount due at maturity, the number of payments.

PAYMENT - I will pay this note as follows:

(a) Interest due: _____
 Principal due: _____
 (b) This note has 120 payments. The first payment will be in the amount of \$ 64.17 and will be due _____
 A payment of \$ 64.17 will be due on the 1st day of each _____ thereafter. The final payment of the entire unpaid balance of principal and interest will be due _____

INTEREST - Interest accrues on a 30 day 30/360 basis.
 MINIMUM INTEREST CHARGE - I agree to pay a minimum interest charge of \$ _____ if I pay this loan off before you have earned that much in interest.
 LATE CHARGE - I agree to pay a late charge on the portion of any payment made more than 10 days after it is due equal to 5% or \$5.00, whichever is greater.

POST-MATURITY INTEREST - Interest will accrue after maturity on the unpaid balance of this note on the same basis as interest accrues before maturity, unless a specific post-maturity interest rate is agreed to in the next sentence.
 Interest will accrue at the rate of _____ % per year on the balance of this note not paid at maturity, including maturity by acceleration.

SECURITY - You have certain rights that may affect my property as explained on page 2. This loan is is not further secured.

(a) This loan is secured by _____, dated _____
 (b) Security Agreement - I give you a security interest in the Property described below. The rights I am giving you in this Property and the obligations this agreement secures are defined on page 2 of this agreement.

REGISTRATION NO. **18051** FEB 1995

DEC 24 1992 10 05 AM

INTERSTATE COMMERCE COMMISSION

This Property will be used for _____ purposes.

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost me.	AMOUNT FINANCED The amount of credit provided to me or on my behalf.	TOTAL OF PAYMENTS The amount I will have paid when I have made all scheduled payments.	I have the right to receive at this time an itemization of the Amount Financed. YES - I want an itemization. NO - I do not want an itemization. "e" means an estimate.
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My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
	\$ <u>64.17</u>	<u>ON THE 1ST OF EACH MONTH</u>
	\$	
	\$	
	\$	

\$ _____ Filing Fees
 \$ _____ Nonfiling Insurance

This note has a demand feature. This note is payable on demand and all disclosures are based on an assumed maturity of one year.
 Variable Rate (Check one) My loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to me earlier.
 The annual percentage rate may increase during the term of this transaction if _____

Any increase will take the form of _____
 If the rate increases by _____ % in _____ the _____
 will increase to _____ The rate may not increase more often than once _____ and may not increase more than _____ % each _____ The rate will not go above _____ %.

Security - I am giving a security interest in: (brief description of other property)
 the goods or property being purchased.
 collateral securing other loans with you may also secure this loan.
 my deposit accounts and other rights to the payment of money from you.

Late Charge - I will be charged a late charge on the portion of any payment made more than 10 days after it is due equal to 5% of the unpaid amount, or \$5.00, whichever is greater.

Prepayment - If I pay off this note early, I may will not have to pay a penalty.
 may will not be entitled to a refund of part of the finance charge.

Assumption - Someone buying the property securing this obligation cannot assume the remainder of the obligation on the original terms.
 I can see my contract documents for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

CREDIT INSURANCE - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

Type	Premium	Term
Credit Life		
Credit Disability		
Joint Credit Life		

I do do not want credit life insurance.
 I do do not want credit disability insurance.

ITEMIZATION OF AMOUNT FINANCED

AMOUNT GIVEN TO ME DIRECTLY	\$ _____
AMOUNT PAID ON MY (LOAN) ACCOUNT	\$ _____
AMOUNTS PAID TO OTHERS ON MY BEHALF:	
to Insurance Companies	\$ _____
to Public Officials	\$ _____
	\$ _____
	\$ _____
	\$ _____

effect on payments that increases would have. The interest rate(s) and other charges on this loan will never exceed the highest rate or charge allowed by law for this loan. You will figure a change in the interest rate by using the index rate in effect at the time the interest rate is to change. Changes in the index between scheduled changes in the interest rate will not affect the interest rate. If the index specified on page 1 ceases to exist, I agree that you may substitute a similar index for the original.

INDEX - If you and I have agreed that the interest rate on this note will be variable and will be related to an index, then the index you select will function only as a tool for setting the rate on this note. You do not guaranty, by selecting any index, that the interest rate on this note will have a particular relationship to the interest rate you charge on any other loans or any type or class of loans with your other customers.

ACCURAL METHOD - The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1. For interest calculation, the accrual method will determine the number of days in a year. If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST-MATURITY INTEREST - Interest will accrue on the principal balance remaining unpaid after final maturity at the rate specified on page 1. For purposes of this section, final maturity occurs:

- If the note is payable on demand, on the date you make demand for payment;
- If the note is payable on demand with alternate payment date(s), on the date you make demand for payment or on the final alternate payment date, whichever is earlier;
- On the date of the last scheduled payment of principal; or
- On the date you accelerate the due date of this loan (demand immediate payment).

REAL ESTATE OR RESIDENCE SECURITY - If this loan is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by this agreement.

DEFAULT - Subject to any limitations in the "Real Estate or Residence Security" paragraph above, I will be in default on this loan and any agreement securing this loan if any one or more of the following occurs:

- I fail to make a payment in full when due;
- I die, am declared incompetent, or become insolvent;
- I fail to keep any promise I have made in connection with this loan;
- I fail to pay, or keep any other promise on, any other loan or agreement I have with you;
- I make any written statement or provide any financial information that is untrue or inaccurate at the time it is provided;
- Any creditor of mine attempts to collect any debt I owe through court proceedings, set-off or self-help repossession;
- The Property is damaged, destroyed or stolen;
- I fail to provide any additional security that you may require;
- Any legal entity (such as a partnership or corporation) that has agreed to pay this note merges, dissolves, reorganizes, ends its business or existence, or a partner or majority stockholder dies or is declared incompetent; or
- Anything else happens that causes you to believe that you will have difficulty collecting the amount I owe you.

If any of us are in default on this note or any security agreement, you may exercise your remedies against any or all of us.

REMEDIES - Subject to any limitations in the "Real Estate or Residence Security" paragraph above, if I am in default on this loan or any agreement securing this loan, you may:

- Make unpaid principal, earned interest and all other agreed charges I owe you under this loan immediately due;
- Use the right of set-off as explained below;
- Demand more security or new parties obligated to pay this loan (or both) in return for not using any other remedy;
- Make a claim for any and all insurance benefits or refunds that may be available on my default;
- Use any remedy you have under state or federal law; and
- Use any remedy given to you in any agreement securing this loan.

By choosing any one or more of these remedies you do not give up your right to use another remedy later. By deciding not to use any remedy should I be in default, you do not give up your right to consider the event a default if it happens again.

COSTS OF COLLECTION AND ATTORNEYS' FEES - I agree to pay you all reasonable costs you incur to collect this debt or realize on any security. This includes, unless prohibited by law, reasonable attorneys' fees. This provision also shall apply if I file a petition or any other claim for relief under any bankruptcy rule or law of the United States, or if such petition or other claim for relief is filed against me by another.

SET-OFF - I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- Any deposit account balance I have with you;
- Any money owed to me on an item presented to you or in your possession for collection or exchange; and
- Any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

OTHER SECURITY - Any present or future agreement securing any other debt I owe you also will secure the payment of this loan. Property securing another debt will not secure this loan if such property is my principal dwelling and you fail to provide any required notice of right of rescission. Also, property securing another debt will not secure this loan to the extent such property is in household goods.

OBLIGATIONS INDEPENDENT - I understand that my obligation to pay this loan is independent of the obligation of any other person who has also agreed to pay it. You may, without notice, release me or any of us, give up any right you may have against any of us, extend new credit to any of us, or renew or change this note one or more times and for any term, and I will still be obligated to pay this loan. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

WAIVER - I waive (to the extent permitted by law) demand, presentment, protest, notice of dishonor and notice of protest.

PRIVACY - I agree that from time to time you may receive credit information about me from others, including other lenders and credit reporting agencies. I agree that you may furnish on a regular basis credit and experience information regarding my loan to others seeking such information. To the extent permitted by law, I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

FINANCIAL STATEMENTS - I will give you any financial statements or information that you feel is necessary. All financial statements and information I give you will be correct and complete.

PURCHASE MONEY LOAN - If this is a purchase money loan, you may include the name of the seller on the check or draft for this loan.

Property signed a third party agreement, I represent that I own all the Property. I will defend the Property against any other claim. I agree to do whatever you require to perfect your interest and keep your priority. I will not do anything to harm your position.

I will keep the Property in my possession (except if pledged and delivered to you). I will keep it in good repair and use it only for its intended purposes. I will keep it at my address unless we agree otherwise in writing.

I will not try to sell or transfer the Property, or permit the Property to become attached to any real estate, without your written consent. I will pay all taxes and charges on the Property as they become due. I will inform you of any loss or damage to the Property. You have the right of reasonable access in order to inspect the Property.

INSURANCE - I agree to buy insurance on the Property against the risks and for the amounts you require. I will name you as loss payee on any such policy. You may require added security on this loan if you agree that insurance proceeds may be used to repair or replace the Property. I agree that if the insurance proceeds do not cover the amounts I still owe you, I will pay the difference. I will buy the insurance from a firm authorized to do business in South Dakota. The firm will be reasonably acceptable to you. I will keep the insurance until all debts secured by this agreement are paid.

DEFAULT AND REMEDIES - If I am in default, in addition to the remedies listed in the note portion of this document and subject to any of the limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph, you may (after giving notice and waiting a period of time, if required by law):

- Pay taxes or other charges, or purchase any required insurance, if I fail to do these things (but you are not required to do so). You may add the amount you pay to this loan and accrue interest on that amount at the interest rate(s) in effect from time to time, on this note until paid in full;
- Require me to gather the Property and any related records and make it available to you in a reasonable fashion;
- Take immediate possession of the Property, but in doing so you may not breach the peace or unlawfully enter onto my premises. You may sell, lease or dispose of the Property as provided by law. (If the Property includes a manufactured home, you will begin the repossession by giving me notice and an opportunity to cure my default, as required by law.) You may apply what you receive from the sale of the Property to your expenses and then to the debt. If what you receive from the sale of the Property is less than what I owe you, you may take me to court to recover the difference (to the extent permitted by law); and
- Keep the Property to satisfy the debt.

I agree that when you must give notice to me of your intended sale or disposition of the Property, the notice is reasonable if it is sent to me at my last known address by first-class mail 10 days before the intended sale or disposition. I agree to inform you in writing of any change in my address.

FILING - A copy of this security agreement may be used as a financing statement when allowed by law.

THIRD PARTY AGREEMENT

For the purposes of the provisions within this enclosure, "I," "me" or "my" means the person signing below and "you" means the Lender identified on page 1.

I agree to give you a security interest in the Property that is described on page 1. I agree to the terms of this note and security agreement but I am in no way personally liable for payment of the debt. This means that if the Borrower defaults, my interest in the secured Property may be used to satisfy the Borrower's debt. I agree that you may, without releasing me or the Property from this Third Party Agreement and without notice or demand upon me, extend new credit to any Borrower, renew or change this note or security agreement one or more times and for any term, or fail to perfect your security interest in, impair, or release any security (including guaranties) for the obligations of any Borrower.

I HAVE RECEIVED A COMPLETED COPY OF THIS NOTE AND SECURITY AGREEMENT.

NAME _____
X

NOTICE TO COSIGNER

You (the cosigner) are being asked to guaranty this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You also may have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

Attach FTC "Preservation of Consumer Claims and Defenses" Notice if Applicable