

BINGHAM, DANA & GOULD 3-007A001

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December 30, 1992

18081
RECORDATION NO. FILED 1423

BY MESSENGER

31 1992-1 05 PM
INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Room 2303
12 Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Ms. Mildred Lee

Ladies and Gentlemen:

Enclosed for recording with the Commission pursuant to Section 11303 of Title 49 of the U.S. Code are two original fully executed, notarized documents described below.

This document is a Security Agreement, a primary document dated as of December 31, 1992, by and between Central Kansas Railway, Inc. (the "Debtor") and The First National Bank of Boston, as the secured party (the "Secured Party"), covering the Debtor's rolling stock now owned or hereafter acquired and all other properties and rights of the Debtor. Descriptions of the rolling stock are attached to the Security Agreement as Schedule 2, as the same may be revised from time to time, but the property covered by the Security Agreement is not limited to that listed in Schedule 2.

The names and addresses of the parties to the Security Agreement are as follows: the Debtor is Central Kansas Railway, Inc., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206 and the Secured Party is The First National Bank of Boston, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

Included in the property covered by the aforesaid Security Agreement are railroad cars, locomotives and other

Handwritten signatures:
C. Bingham
D. Dana

BINGHAM, DANA & GOULD

Interstate Commerce Commission
December 30, 1992
Page 2

rolling stock intended for use related to interstate commerce, or interests therein, owned and leased by the Debtor at the date of said Security Agreement or thereafter acquired by the Debtor or its successors as owners of the lines of railway covered by the Security Agreement.

A short summary of the document to appear in the index is as follows:

"A Security Agreement, dated as of December 31, 1992, by and between Central Kansas Railway, Inc. as the debtor and The First National Bank of Boston, as the secured party, covering the debtor's rolling stock and all other properties and rights of the debtor. Descriptions of the rolling stock are attached to the Security Agreement as Schedule 2."

Also enclosed is a check in the amount of \$16.00, payable to the Interstate Commerce Commission, to cover the recording fee prescribed by the Commission in its rules and regulations.

Please acknowledge receipt of the enclosed documents at your earliest convenience by stamping and returning to the undersigned the enclosed copy of this letter together with the Security Agreement as filed.

If you have any questions with respect to the enclosed documents, please call the undersigned collect at (617) 951-8000.

Sincerely,



Toby R. Serkin

TRS/cd
Enclosures

6394C

Interstate Commerce Commission
Washington, D.C. 20423

1/4/93

OFFICE OF THE SECRETARY

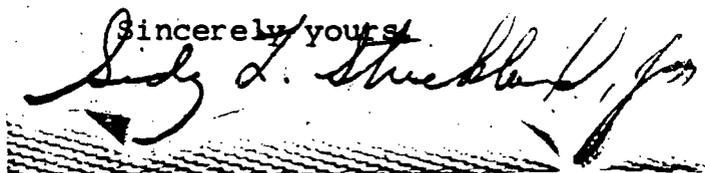
Toby R. Serkin

Bingham Dana & Gould
150 Federal Street
Boston, MA. 02110-1726

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 12/31/92 at 1:05pm, and assigned re-
recording number(s). 18081.

Sincerely yours,



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

SE-30
(7/79)

JAN 31 1993 - 1 05 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

CENTRAL KANSAS RAILWAY, INC.

This SECURITY AGREEMENT dated as of December 31, 1992, is by and between Central Kansas Railway, Inc., a Kansas corporation (the "Borrower") and The First National Bank of Boston (the "Bank") as parties to that certain Revolving Credit Agreement, dated as of December 31, 1992, between the Borrower and the Bank, as the same may be amended, restated, modified or supplemented from time to time (such agreement, as in effect from time to time, the "Credit Agreement"). Capitalized terms which are used herein without definition and which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement.

§1. GRANT OF SECURITY INTEREST. To secure the due and prompt payment and performance by the Borrower of the Obligations (as defined below), the Borrower hereby pledges, assigns and grants to the Bank a continuing security interest in and lien on all properties, assets and rights of the Borrower of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, without limitation, all goods, accounts, including all accounts receivable, contract rights, all rights of the Borrower under the Acquisition Documents, all rights of the Borrower under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, the Borrower's operating certificate from the Interstate Commerce Commission, securities, together with all income therefrom, increases thereunder and proceeds thereof, patents, trademarks, tradenames, copyrights, engineering drawings, service marks, customer lists, books and records, furniture, fixtures, motor vehicles of every kind and description including, without limitation, motor vehicles described on Schedule 1 attached hereto, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements, rolling stock of every kind and description, including, without limitation, the rolling stock described on Schedule 2 attached hereto, locomotives,

rail, ties and capital improvements thereon, equipment, maintenance of way equipment, including, without limitation, the maintenance of way equipment described on Schedule 3 attached hereto, inventory and all other capital assets, raw materials, and work in progress, and real property described on Schedule 4 attached hereto and interests in and rights in, on or over such real property, including railbeds, yards and maintenance areas (all such properties, assets and rights hereinafter sometimes called, collectively, the "Collateral").

§2. OBLIGATIONS SECURED. The Collateral hereunder constitutes and will constitute continuing security for all of the indebtedness, obligations and liabilities of the Borrower to the Bank and any institutional lender who becomes a participant in or holder of any of the obligations under the Credit Agreement, the Revolving Credit Note and the other Loan Documents and any documents evidencing interest rate protection arrangements between the Borrower and the Bank, in each case as such instrument is originally executed on the date hereof or as modified, amended, restated, supplemented or extended hereafter, whether such obligations are now existing or hereafter arising, joint or several, direct or indirect, absolute or contingent, due or to become due, matured or unmatured, liquidated or unliquidated, arising by contract, operation of law or otherwise, and all obligations of the Borrower to the Bank arising out of any extension, refinancing or refunding of any of the foregoing obligations (collectively, the "Obligations").

§3. PRO RATA SECURITY; APPLICATION OF PROCEEDS OF COLLATERAL. All amounts owing with respect to the Obligations shall be secured pro rata by the Collateral without distinction as to whether some Obligations are then due and payable and other Obligations are not then due and payable. Upon any realization upon the Collateral by the Bank, whether by receipt of insurance proceeds pursuant to §4(h) or upon foreclosure and sale of all or part of the Collateral pursuant to §8 or otherwise, the Borrower and the Bank agree that the proceeds thereof shall be applied (i) first, to the payment of expenses incurred with respect to maintenance and protection of the Collateral pursuant to §4 and of expenses incurred pursuant to §12 with respect to the sale of or realization upon any of the Collateral or the perfection, enforcement or protection of the rights of the Bank (including reasonable attorneys' fees and expenses of every kind, including, without limitation, reasonable allocated costs of staff counsel), (ii) second, to all amounts of interest, expenses and fees outstanding which

constitute the Obligations; (iii) third, to all amounts of principal outstanding under the Obligations; (iv) fourth, any proceeds remaining after the repayment of all of the Obligations to be paid over to the Borrower or such other person or persons as may be entitled thereto. The Borrower shall remain liable for any deficiency remaining unpaid after the application of proceeds in accordance with the foregoing provisions. The Borrower agrees that all amounts received with respect to any of the Obligations, whether by realization on the Collateral or otherwise, shall be applied to the payment of the Obligations in accordance with the provisions of this §3.

54. REPRESENTATIONS AND COVENANTS OF THE BORROWER.

(a) Real Property. The Borrower represents to the Bank that the real property listed on Schedule 4(a) hereto constitutes all of the real property which the Borrower owns or leases. The Borrower agrees to notify the Bank of any other real property which the Borrower may hereafter acquire or lease.

(b) Rolling Stock. The Borrower represents to the Bank that the Rolling Stock (as defined in this §4(b)) listed on Schedule 2 hereto constitutes all of the Rolling Stock which the Borrower owns or leases. The Borrower agrees not to change any markings or serial numbers on any of the Rolling Stock listed on Schedule 2 until after the Borrower has given notice in writing to the Bank of its intention to make such change. The Borrower agrees to notify the Bank of any other Rolling Stock which the Borrower may hereafter acquire or lease. The Borrower agrees that it will execute and deliver to the Bank supplemental security agreements and other instruments, as referred to in paragraph (j) below of this §4, and file the same in the appropriate recording offices (i) with respect to the Rolling Stock listed on Schedule 2 hereto, (ii) at such times as any assignable right, title or interest is acquired in the future by the Borrower in any other Rolling Stock and (iii) at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock listed on Schedule 2 hereto or on any other Rolling Stock owned or leased by the Borrower. All such supplemental security agreements and other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Bank as evidenced by its written consent thereto. The term "Rolling Stock" as used herein means all rolling stock of every kind and description, locomotives and all other rail cars.

(c) Motor Vehicles. The Borrower represents and warrants to the Bank and covenants with the Bank that except as permitted by §4(a) hereof, (i) Collateral for which motor vehicle or any other certificate of title is required is listed on Schedule 1 attached hereto, and such Collateral is titled in the jurisdictions located in the United States of America set forth opposite such portion of the Collateral listed on Schedule 1 hereto and will remain titled in such jurisdictions, and (ii) Collateral for which no certificate of title is required, but for which registration under motor vehicle laws is required, is registered in the jurisdictions located in the United States of America listed on Schedule 1 and will remain registered in such jurisdictions. The Borrower further represents and warrants to the Bank that all certificates of title and related applications for title for the Collateral listed on Schedule 1 have been, or will be within forty-five (45) days after the Effective Date, endorsed to reflect the security interest granted hereunder to the Bank, and that the original certificates of title and fully executed related applications for certificates of title shall have been delivered to the Bank.

(d) Patents, Trademarks, Copyrights. The Borrower represents to the Bank that as of the date hereof, except as set forth on Schedule 5 hereto, it has no right, title or interest in any patent, trademark registrations, copyright registrations or service mark registrations, or in any pending applications for the same and agrees promptly to furnish to the Bank written notice of each such patent, trademark, copyright or service mark registrations, or any applications for same, in which it may hereafter acquire any right, title or interest. The Borrower shall, on request by the Bank, execute, acknowledge and deliver all such documents and instruments as the Bank may reasonably require to confirm the Bank's security interest in and to any such patent, trademark or service mark registrations, or application for the same as part of such Collateral hereunder and appoints the Bank as the Borrower's attorney-in-fact to execute and file the same.

(e) Location of Chief Executive Offices; Tax Identification Numbers. The Borrower's chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. The Borrower's federal tax identification number is 48-1122996. The Borrower further represents that Schedule 6 hereto is a true and correct list of all localities where property comprising a part of the Collateral (other than interests in real property set forth in Schedule 4(a)) is located. The Borrower agrees that it will not change its

federal tax identification number or the location of its chief executive office or the location where its books and records are kept, except as permitted by §8.15 of the Credit Agreement.

(f) Ownership of Collateral.

(i) The Borrower represents that it is the owner of the Collateral free from any adverse lien, security interest or encumbrance, except as permitted by §8.2 of the Credit Agreement.

(ii) Except for the security interests herein granted and except as permitted by §8.2 of the Credit Agreement, the Borrower shall be the owner of the Collateral free of any Lien and the Borrower shall defend the same against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Bank. Except as otherwise permitted by the Credit Agreement, the Borrower shall not pledge, mortgage or create or suffer to exist a security interest in the Collateral in favor of any person other than the Bank.

(g) Sale or Disposition of Collateral. Except as permitted by §§8.3 and 8.4 of the Credit Agreement, the Borrower will not sell or offer to sell or otherwise transfer the Collateral, any portion thereof, or any interest therein except for sales of inventory in the ordinary course of business.

(h) Insurance. The Borrower shall have and maintain at all times with respect to the Collateral such insurance as is required by the Credit Agreement, such insurance to be payable to the Bank and to the Borrower as their interests may appear. All policies of insurance shall provide for a minimum of thirty (30) days' prior written cancellation notice to the Bank. In the event of failure to provide and maintain insurance as herein provided, the Bank may, at its option, provide such insurance, and the Borrower hereby promises to pay to the Bank on demand the amount of any disbursements made by the Bank for such purpose. The Borrower shall furnish to the Bank certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. The Bank may act as attorney for the Borrower in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts; and any amounts collected or received under any such policies shall be applied by the Bank to the Obligations in

accordance with the provisions of §3, or at the option of the Bank, the same may be released to the Borrower, but such application or release shall not cure or waive any default hereunder and no amount so released shall be deemed a payment on any Obligation secured hereby.

(i) Maintenance of Collateral. The Borrower will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon. The Bank may inspect the Collateral at any reasonable time, wherever located. Except as otherwise provided in the Credit Agreement, the Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement. In its discretion, the Bank may discharge taxes and other encumbrances at any time levied or placed on the Collateral which remain unpaid in violation of the Credit Agreement, make repairs thereof and pay any necessary filing fees. The Borrower agrees to reimburse the Bank on demand for any and all expenditures so made, and until paid, the amount thereof shall be a debt secured by the Collateral. The Bank shall have no obligation to the Borrower to make any such expenditures, nor shall the making thereof relieve the Borrower of any default.

(j) Creation and Perfection of Lien. The Borrower represents and warrants to the Bank and covenants with the Bank that this Agreement creates a valid security interest in the Collateral as security for the payment and performance of the Obligations. Upon (i) the filing and recording of this Agreement with the Interstate Commerce Commission (the "ICC") in accordance with §11303 of Title 49 of the United States Code and the rules and regulations thereunder, (ii) the filing of UCC-1 financing statements in the form attached hereto as Exhibit A (the "Financing Statements") under the Uniform Commercial Code as the same may be in effect from time to time in the States of Kansas, Oklahoma and Colorado (the "UCC"), naming the Borrower as debtor and the Bank as secured party, and (iii) the presentation to the Department or Registry of Motor Vehicles of each jurisdiction in which the Collateral is titled, as set forth on Exhibit B attached hereto, of applications for titles with the lien of the Bank noted thereon in the form of Exhibit C attached hereto, all filings, assignments, pledges and deposits of documents or instruments will have been made and all other actions will have been taken that are necessary or advisable, under applicable law, to establish and perfect the Bank's security interest in such of the Collateral as to which a security interest may be perfected by filing under the UCC, the Interstate Commerce

Act of 1887, as amended (the "ICA"), or with such Departments or Registries of Motor Vehicles, and such security interest shall remain prior to all other Liens, except as contemplated by the Credit Agreement. No further filings, recordings or other actions are or will be necessary to maintain the priority of such security interest other than the filing of UCC continuation statements within six months prior to the expiration of a period of five years after the original filing. The Collateral and the Bank's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses. The Borrower is the owner of the Collateral free from any adverse lien, security interest or encumbrance, except as permitted by the Credit Agreement as such agreement is in effect on the date hereof.

(k) No Further Actions. Except for the filings referred to in paragraph (j) above and as otherwise specified in §4.2 of the Credit Agreement, no authorization, approval or other action by, and no notice of filing with, any governmental authority or regulatory body or other Person that has not been received, taken or made is required (i) for the grant by the Borrower of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Borrower, (ii) for the perfection and maintenance of the security interest hereunder (including the first priority nature of such security interest), or (iii) for the exercise by the Bank of the rights or the remedies in respect of the Collateral pursuant to this Agreement.

(l) Accounts Receivable. The Borrower shall keep or cause to be kept separate records of accounts which are complete and accurate in all material respects, and from time to time upon the request of the Bank, shall deliver to the Bank a list of the names, addresses, face value, and dates of invoices for each debtor obligated on such an account receivable.

(m) Government Contracts. The Borrower agrees that it shall execute all such documents, and take all such actions, as the Bank shall determine to be necessary or appropriate from time to time under the federal Assignment of Claims Act of 1940, as amended, in order to confirm and assure to the Bank its rights under this Agreement with respect to any and all Collateral consisting of the Borrower's rights to monies due or to become due under any contracts or agreements with or orders from the United States government or any agency or department thereof, the assignment of which is not prohibited by such contract or agreement (collectively,

"Government Receivables"). Without limiting the generality of the foregoing, the Borrower agrees that simultaneously with the execution and delivery of this Agreement it shall execute and deliver to the Bank a confirmatory assignment substantially in the form of Exhibit D attached hereto (a "Confirmatory Assignment") with respect to each Government Receivable existing on the date hereof where the aggregate proceeds payable to the Borrower thereunder exceed \$100,000, and within ten Bank Business Days after the creation of any such new Government Receivable, the Borrower shall execute and deliver to the Bank a Confirmatory Assignment with respect thereto. The Borrower hereby irrevocably authorizes the Bank, or its designee, at the Borrower's expense, to file with the United States government (or the appropriate agency or instrumentality thereof) a notice of each assignment of a Government Receivable substantially in the form of Exhibit E attached hereto (a "Notice of Assignment"), to which a copy of the relevant Confirmatory Assignment may be attached, and appoints the Bank as the Borrower's attorney-in-fact to execute and file any such Confirmatory Assignments, Notices of Assignment and any ancillary documents relating thereto.

(n) Securities. The Borrower agrees that (i) it shall deliver and pledge to the Bank hereunder those certificates representing each Person's capital stock held by the Borrower as set forth on Schedule 7 attached hereto, and (ii) it shall forthwith deliver and pledge to the Bank hereunder all certificates representing securities which it shall acquire, whether by purchase, stock dividend, distribution of capital or otherwise, in the case of each of clauses (i) and (ii), together with stock powers or other appropriate instruments of assignment with respect thereto, duly executed in blank.

(o) Further Assurances By the Borrower. The Borrower agrees to execute and deliver to the Bank from time to time at its request all documents and instruments, including financing statements, supplemental security agreements, notices of assignments under the United States Assignment of Claims Act and under similar or local statutes and regulations, and to take all action as the Bank may reasonably deem necessary or proper to perfect or otherwise protect the security interest and lien created hereby.

§5. POWER OF ATTORNEY. (a) The Borrower acknowledges the Bank's right, to the extent permitted by applicable law, singly to execute and file financing or continuation statements and similar notices required by applicable law, and amendments thereto, concerning the Collateral without

execution by the Borrower. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) The Borrower hereby irrevocably appoints the Bank as the Borrower's attorney-in-fact, effective at all times subsequent to the occurrence of an Event of Default (as defined herein), and during the continuance thereof, with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, to take any action and to execute any instrument which the Bank may deem necessary or advisable to accomplish the purpose of this Agreement, including, without limitation, the power and right (i) to endorse the Borrower's name on any checks, notes, acceptances, money orders, drafts, filings or other forms of payment or security that may come into the Bank's possession, and (ii) to do all other things which the Bank then determines to be necessary to carry out the terms of this Agreement. The Borrower ratifies and approves all acts of such attorney-in-fact. The power conferred on the Bank hereunder is solely to protect the Bank's interests in the Collateral and shall not impose any duty upon the Bank to exercise such power.

§6. SECURITIES AS COLLATERAL. (a) Upon the occurrence and during the continuance of an Event of Default, the Bank may at any time, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. If the Bank so elects to exercise its right herein and gives notice of such election to the Borrower, upon the occurrence and during the continuance of an Event of Default to the extent permitted under applicable law, the Bank may vote any or all of the securities constituting Collateral possessing voting rights (whether or not the same shall have been transferred into its name or the name of its nominee or nominees) and give all consents, waivers and ratifications in respect of the securities constituting Collateral and otherwise act with respect thereto as though it were the outright owner thereof, the Borrower hereby irrevocably constituting and appointing the Bank the proxy and attorney-in-fact of the Borrower, with full power of substitution, to do so. So long as no Event of Default is continuing, the Borrower shall be entitled to receive all cash dividends paid in respect of the securities of which the Borrower is the registered owner, to vote such securities and to give consents, waivers and ratifications in respect of such securities, provided that no vote shall

be cast, or consent, waiver or ratification given or action taken which would be inconsistent with or violate any provisions of any of the Loan Documents or this Agreement.

(b) Except as otherwise provided in the Credit Agreement, any sums paid upon or with respect to any of the securities upon the liquidation or dissolution of the issuer thereof shall be paid over to the Bank to be held by it as security for the Obligations; and in case any distribution of capital shall be made on or in respect of any of the securities or any property shall be distributed upon or with respect to any of the securities pursuant to the recapitalization or reclassification of the capital of the issuer thereof or pursuant to the reorganization thereof, the property so distributed shall be delivered to the Bank to be held by it as security for the Obligations. Except as otherwise provided in the Credit Agreement, all sums of money and property paid or distributed in respect of the securities upon such a liquidation, dissolution, recapitalization or reclassification which are received by the Borrower shall, until paid or delivered to the Bank, be held in trust for the Bank as security for the Obligations.

§7. ACCOUNTS RECEIVABLE. Upon the occurrence of a Default or an Event of Default, the Bank may request that debtors on accounts receivable of the Borrower or obligors on accounts, chattel paper or general intangibles of the Borrower or obligors on instruments for which the Borrower is an obligee or lessees or conditional vendees under agreements governing the leasing or selling by conditional sale of Collateral by the Borrower be notified of the Bank's security interest. Until the Bank requests such a notification, the Borrower shall continue to collect payment thereof. Upon the making of such a request by the Bank, the Borrower shall hold the proceeds received from collection as trustee for the Bank and shall turn the same over to the Bank, or to such other bank as may be approved by the Bank, immediately upon receipt in the identical form received. Upon the occurrence and during the continuance of a Default or an Event of Default, the Borrower shall, at the request of the Bank, notify such account debtors and obligors that payment thereof is to be made directly to the Bank, and the Bank may itself at any time, without notice to or demand upon the Borrower, so notify such account debtors and obligors. The making of such a request or the giving of any such notification shall not affect the duties of the Borrower described above with respect to proceeds of collection of accounts receivable received by the Borrower. The Bank shall apply the proceeds of such collection received by the Bank to the Obligations in accordance with

§3 of this Agreement. The application of the proceeds of such collection shall be conditional upon final payment in cash or solvent credits of the items giving rise to them. If any item is not so paid, the Bank in its discretion, whether or not the item is returned, may either reverse any credit given for the item or charge it to any deposit account maintained by the Borrower with the Bank.

§8. EVENTS OF DEFAULT; REMEDIES. (a) Upon the occurrence of an Event of Default, whether or not the Obligations are due, the Bank may demand, sue for, collect, or make any settlement or compromise it deems desirable with respect to the Collateral.

(b) An "Event of Default" hereunder shall mean (i) that a representation, warranty or certification made in this Agreement or in any document executed or delivered from time to time relating to this Agreement is materially untrue, misleading or incomplete in its recital of any facts at the time as of which such representation, warranty or certification, as the case may be, is made or (ii) any Event of Default as that term is defined in any of the Loan Documents, whether or not any acceleration of the maturity of the amounts due in respect of any of the Obligations shall have occurred.

(c) Upon the occurrence and during the continuance of an Event of Default, to the fullest extent permitted by applicable law, in addition to the remedies set forth elsewhere in this Agreement:

(i) The Bank shall have, in addition to all other rights and remedies given it by any instrument or other agreement evidencing, or executed and delivered in connection with, any of the Obligations and otherwise allowed by law, the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located and the rights and remedies of a secured party holding a security interest in collateral pursuant to the ICA, and without limiting the generality of the foregoing, the Bank may immediately, without (to the fullest extent permitted by law) demand of performance or advertisement or notice of intention to sell or of time or place of sale or of redemption or other notice or demand whatsoever, (except that the Bank shall give to the Borrower at least ten days' notice of the time and place of any proposed sale or other disposition), all of which are hereby expressly waived to the fullest extent permitted by law, sell at public or private sale

or otherwise realize upon, in the City of Boston, Massachusetts, or elsewhere, the whole or from time to time any part of the Collateral in or upon which the Bank shall have a security interest or lien hereunder, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable expenses for legal services, including, without limitation, reasonable allocated costs of staff counsel) as provided in §12, shall apply the residue of such proceeds toward the payment of the Obligations in accordance with §3 of this Security Agreement, the Borrower remaining liable for any deficiency remaining unpaid after such application. If notice of any sale or other disposition is required by law to be given to the Borrower, the Borrower and the Bank hereby agree that a notice given as hereinbefore provided shall be reasonable notice of such sale or other disposition. The Borrower also agrees to assemble the Collateral at such place or places as the Bank reasonably designates by written notice. At any such sale or other disposition the Bank may itself, and any other person or entity owed any Obligation may itself, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Borrower, which right is hereby waived and released to the fullest extent permitted by law.

(ii) Furthermore, without limiting the generality of any of the rights and remedies conferred upon the Bank under §8(c)(i) hereof, the Bank to the fullest extent permitted by law, may enter upon the premises of the Borrower, exclude the Borrower therefrom and take immediate possession of the Collateral, either personally or by means of a receiver appointed by a court therefor, using all necessary force to do so, and may, at its option, use, operate, manage and control the Collateral in any lawful manner and may collect and receive all rents, income, revenue, earnings, issues and profits therefrom, and may maintain, repair, renovate, alter or remove the Collateral as the Bank may determine in its discretion, and any such monies so collected or received by the Bank shall be applied to, or may be accumulated for application upon, the Obligations in accordance with §3 of this Agreement.

(iii) The Bank agrees that it will give notice to the Borrower of any enforcement action taken by it pursuant to this §8 promptly after commencing such action.

(iv) The Borrower recognizes that the Bank may be unable to effect a public sale of the securities by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers consistent with all applicable laws. The Borrower agrees that any such private sales may be at prices and other terms less favorable to the Borrower than if sold at public sales and that such private sales shall not by reason thereof be deemed not to have been made in a commercially reasonable manner. The Bank shall be under no obligation to delay a sale of any of the securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act of 1933, as amended, even if the issuer would agree to do so.

§9. MARSHALLING. The Bank shall not be required to marshal any present or future security for (including but not limited to this Agreement and the Collateral subject to the security interest created hereby), or guaranties of, the Obligations or any of them, or to resort to such security or guaranties in any particular order; and all of its rights hereunder and in respect of such securities and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, the Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Bank's rights under this Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may do so the Borrower hereby irrevocably waives the benefits of all such laws. Except as otherwise provided by applicable law, the Bank shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the sole custody thereof.

§10. BORROWER'S OBLIGATIONS NOT AFFECTED. To the extent permitted by law, the obligations of the Borrower under this Security Agreement shall remain in full force and effect without regard to, and shall not be impaired by (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Borrower, to the extent permitted by law; (b) any exercise

or nonexercise, or any waiver, by the Bank of any right, remedy, power or privilege under or in respect of any of the Obligations or any security therefor (including this Agreement); (c) any amendment to or modification of any instrument evidencing any of the Obligations or pursuant to which any of them were issued; (d) any amendment to or modification of any instrument or agreement (other than this Agreement) securing any of the Obligations; or (e) the taking of additional security for or any guaranty of any of the Obligations or the release or discharge or termination of any security or guaranty for any of the Obligations; and whether or not the Borrower shall have notice or knowledge of any of the foregoing.

§11. NO WAIVER. No failure on the part of the Bank to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. Each and every right, remedy and power hereby granted to the Bank or the future holders of any of the Obligations or allowed to any of them by law or other agreement, including, without limitation, each of the Loan Documents, shall be cumulative and not exclusive of any other, and, subject to the provisions of this Agreement, may be exercised by the Bank or the future holders of any of the Obligations from time to time.

§12. EXPENSES. The Borrower agrees to pay, on demand, all reasonable costs and expenses (including reasonable attorneys' fees and expenses for legal services of every kind, including, without limitation, reasonable allocated costs of staff counsel) of the Bank incidental to the sale of, or realization upon, any of the Collateral or in any way relating to the perfection, enforcement or protection of the rights of the Bank hereunder; and the Bank may at any time apply to the payment of all such costs and expenses all monies of the Borrower or other proceeds arising from its possession or disposition of all or any portion of the Collateral.

§13. CONSENTS, AMENDMENTS, WAIVERS. Any term of this Agreement may be amended, and the performance or observance by the Borrower of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only in accordance with §20 of the Credit Agreement.

§14. GOVERNING LAW. Except as otherwise required by the laws of any jurisdiction in which any Collateral is located, this Agreement shall be deemed to be a contract under seal and shall for all purposes be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

§15. PARTIES IN INTEREST. All terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, provided that the Borrower may not assign or transfer its rights hereunder without the prior written consent of the Bank. Any assignment or transfer by the Borrower of its rights hereunder in violation of this Agreement shall be void.

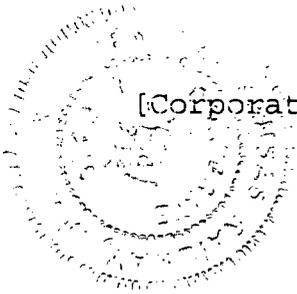
§16. COUNTERPARTS. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

§17. TERMINATION. Upon the indefeasible payment in full in cash of the Obligations in accordance with their terms, this Agreement shall terminate and the Bank shall return to the Borrower, at the expense of the Borrower, such Collateral in the possession or control of the Bank as has not theretofore been disposed of pursuant to the provisions hereof and shall deliver to the Borrower documents in recordable form sufficient to discharge the liens and security interests granted hereunder.

§18. NOTICES. Except as otherwise expressly provided herein, all notices and other communications made or required to be given pursuant to this Agreement shall be made in accordance with the provisions of §17 of the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

CENTRAL KANSAS RAILWAY, INC.



[Corporate Seal]

By: Michael J. Gibson
Title: VICE PRESIDENT

THE FIRST NATIONAL BANK OF BOSTON

By: Barbara W. Wilson
Title: Vice President

State of Illinois)
County of Cook) ss.

On this 29th day of December, 1992 before me personally appeared Michael T Ogden, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of Central Kansas Railway, Inc., that the seal affixed to the foregoing instrument beside his/her signature is the corporate seal of said corporation and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

My commission expires:

State of Illinois)
County of Cook) ss.

On this 29th day of December, 1992, before me personally appeared Barbara W. Wiser, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of The First National Bank of Boston, and that [s]he is duly authorized to sign the foregoing instrument on behalf of said banking association, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.



[Signature]
Notary Public

My commission expires:

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. <input type="checkbox"/> Filed for record in the real estate records.	5. <input checked="" type="checkbox"/> Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Central Kansas Railway, Inc. 252 Clayton Street Suite 400 Denver, CO 80206 EIN #48-1122996	2. Secured Party(ies) and address(es) The First National Bank of Boston 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Exhibit A attached hereto and made a part hereof.

Filed with Oklahoma Secretary of State

Proceeds and
 Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Central Kansas Railway, Inc..... By: Signature(s) of Debtor (Or Assignor) Title	The First National Bank of Boston By: Signature(s) of Secured Party (Or Assignee) Title
--	---	---

Filing Officer Copy — Alphabetical

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. <input type="checkbox"/> Filed for record in the real estate records.	5. <input checked="" type="checkbox"/> Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Central Kansas Railway, Inc. 252 Clayton Street Suite 400 Denver, CO 80206 EIN #48-1122996	2. Secured Party(ies) and address(es) The First National Bank of Boston 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Exhibit A attached hereto and made a part hereof.

Filed with: Kansas Secretary of State

Proceeds and
 Products of Collateral are also covered

Whichever is Applicable (See Instruction Number 9)	Central Kansas Railway, Inc. By: Signature(s) of Debtor (Or Assignor) Title	The First National Bank of Boston By: Signature(s) of Secured Party (Or Assignee) Title
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Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. <input type="checkbox"/> Filed for record in the real estate records.	5. <input checked="" type="checkbox"/> Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Central Kansas Railway, Inc. 252 Clayton Street Suite 400 Denver, CO 80206 EIN #48-1122996	2. Secured Party(ies) and address(es) The First National Bank of Boston 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Exhibit A attached hereto and made a part hereof.

Filed with: Colorado Secretary of State

Proceeds and
Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Central Kansas Railway, Inc. By: _____ Signature(s) of Debtor (Or Assignor) Title	The First National Bank of Boston By: _____ Signature(s) of Secured Party (Or Assignee) Title
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Filing Officer Copy — Alphabetical

EXHIBIT B

JURISDICTIONS IN WHICH MOTOR VEHICLES ARE TITLED

All motor vehicles shall be titled in Kansas.

FORM OF APPLICATION FOR CERTIFICATE OF TITLE

TR-720B (Rev. 3/91)

KANSAS DEPARTMENT OF REVENUE Division of Vehicles - Topeka, Kansas 66626-0001 APPLICATION FOR SECURED, DUPLICATE, REISSUE TITLES

Form with columns for vehicle type (Auto, Truck, etc.) and fields for License Tag No. and Title Number.

CHECK ONE: [] DUPLICATE TITLE \$3.50 [] SECURED TITLE \$3.50 [] REISSUE TITLE \$3.50 \$ Total Fee

Name fields for Last, First, Middle Initial for three individuals.

Table with columns: AND &, or, AND/or, %, DBA, WROS.

Current Address, City, State, Zip fields.

Applicant Telephone No., Veh. Yr., Make, Style, Odometer Now Reads, Veh. Id. # fields.

CHECK ONE [] Actual [] Not Actual [] Exceeds Mechanical Limits

FOR OFFICE USE ONLY: APPLICATION DATE, PURCHASE DATE, EMPTY WEIGHT, MILEAGE.

1. Secured Party Address, City, State, Zip. 2. Secured Party Address, City, State, Zip.

*DUPLICATE TITLE APPLICANTS ONLY I certify that I am the lawful owner of the vehicle described above... NOTARIZATION REQUIRED

I certify that all information stated above is true and correct. Signature of Last Registered Owner, Date, Social Security or FEIN #.

Appointment expires, Notary Public.

INSTRUCTIONS

- 1. Signature of owner(s) must correspond to name on face of title. 2. Use current mailing address. 3. Statutory fee is \$3.50 for duplicate, \$3.50 for secured and \$3.50 for reissue. 4. To remove existing lien, submit a notarized release. 5. Existing Kansas title must be submitted in the case of secured or reissue applications. 6. Note name and address of secured party. 7. Copy of security agreement is not necessary. 8. If legal document or power of attorney is used, please attach to application. 9. Current mileage required. 10. Social Security No., Federal Employee Identification No. or Vendor ID No. is optional. 11. Mail to: Local County Treasurer's Office

RELEASE OF LIEN

STATE OF KANSAS, COUNTY, ss. The lien of Kansas title in the name of: following described vehicle, year, make, ID #, is hereby released. Lienholder, By, Subscribed and sworn to before me this day of 19.

Duplicate Title - Replaces the original title that has been lost, mutilated or stolen. Reissue Title - Releases a lien from a title. Secured Title - Adds or changes a lien on the title.

My appointment expires: Notary Public

FOR OFFICE USE ONLY

EXHIBIT D

FORM OF CONFIRMATORY ASSIGNMENT OF CONTRACT

This ASSIGNMENT, dated as of _____, is by
CENTRAL KANSAS RAILWAY, INC., a _____
corporation (the "Debtor") in favor of The First National
Bank of Boston.

WHEREAS, the Debtor is party to Contract No. _____
dated _____ between the Debtor
and _____ (the "Contract"); and

WHEREAS, the Debtor and the Bank have entered into a
certain Security Agreement, dated as of _____,
1992 (the "Security Agreement"), pursuant to which the
Debtor has granted to the Bank, a security interest in
certain assets of the Debtor, including all of the Debtor's
rights in, to and under the Contract, to secure the
Obligations referred to in the Security Agreement;

NOW, THEREFORE, the Debtor hereby confirms,
acknowledges and agrees that, pursuant to and subject to the
terms of the Security Agreement, the Debtor hereby assigns,
transfers, pledges and grants to the Bank a security
interest in all of the Debtor's right, title and interest in
and to all monies due or to become due under the Contract.

EXECUTED as of the date first above written.

CENTRAL KANSAS RAILWAY, INC.

By: _____
Title: _____

EXHIBIT E

FORM OF NOTICE OF ASSIGNMENT OF
ACCOUNTS RECEIVABLE AS SECURITY

The First National Bank of Boston

Date:

To: [Contracting Official or Head of
Agency, and Disbursing Official]

Re: Payments to CENTRAL KANSAS RAILWAY, INC.
Contract Number:
Made by the United States of America
Department:
Division:

For:

Dated:

Ladies and Gentlemen:

PLEASE TAKE NOTICE that monies due or to become due to CENTRAL KANSAS RAILWAY, INC. (the "Debtor") under the contract described above have been assigned to The First National Bank of Boston as security for certain obligations of the Debtor to the Bank, as described more particularly in a Security Agreement (a true and correct copy of which is attached hereto), dated as of _____, 1992, as in effect from time to time. This notice is given pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. §3727).

Payments due or to become due to the Debtor under the contract described above should continue to be made to the Debtor until you receive written notice from the Bank directing that such payments be made to another party.

Please return to the undersigned (in the enclosed, self-addressed stamped envelope) the enclosed extra copy of this notice with appropriate notations showing the date and hour of receipt and duly signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours,

THE FIRST NATIONAL BANK OF BOSTON

By: _____
Authorized Official
100 Federal Street
Boston, MA 02110

IRREVOCABLY ACKNOWLEDGED AND
AGREED TO:

CENTRAL KANSAS RAILWAY, INC.

By: _____
Title: _____

ACKNOWLEDGMENT OF RECEIPT

Receipt of the above notice and a copy of the Security Agreement described above is hereby acknowledged. These were received at _____ a.m./p.m. on _____, 19____.

Signature

On Behalf of: [Name and Title of
Addressee of Notice]

SCHEDULE 1

MOTOR VEHICLES

NONE.

LOCOMOTIVE	TYPE	SERIAL NUMBER
2016	GP7	6522
2083	GP7	5219-4
2084	GP7	5219-5
2087	GP7	5219-8
2199	GP7	5170-1
2230	GP7	5200-0
2232	GP7	5170-1
2233	GP7	5110-1
2238	GP7	5054-1
2239	GP7	5219-1
2242	GP7	5110-1
2243	GP7	5200-1

Electro Motive Division (EMD) of General Motors (GM) Model GP7 locomotives developing 1500 traction horsepower from a model 567BC engine through a D12 main generator. Locomotive is equipped with four (4) model D77 traction motors. Locomotive is configured with a low nose short hood, short hood forward, 10 KW auxiliary generator, three cylinder air cooled air compressor. Locomotives were remanufactured in 1981 by ATSF at Cleburne shops. The remanufacture included many upgrades including all electrical wiring.

DESCRIPTION OF FREIGHT CARS
CARS ASSIGNED TO MEDICINE LODGE SUBDIVISION POOL H1801
ASSIGNED EQUIPMENT - POOL H1801

ATSF

078368	082578
080025	082603
080082	082605
080195	082619
080213	082648
080251	082678
080311	082705
080399	082730
080424	082765
080439	082770
080447	082796
080457	082808
080517	082911
080540	087271
080672	087397
080707	180311
080726	180312
080785	180316
080804	180317
080806	180320
080809	180322
080820	180331
080821	180332
080833	180337
080848	180348
080863	180366
080867	180375
080879	180376
080886	180378
080893	180383
080898	180390
080899	180391
082105	180396
082284	180397
082419	180398
082463	
082518	
082544	

SCHEDULE 3

MAINTENANCE OF WAY EQUIPMENT

NONE.

THE REAL ESTATE AND IMPROVEMENTS THAT CONSTITUTE THAT PORTION OF THAT CERTAIN LINE OF RAILROAD DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS THE WICHITA SUBDIVISION, (FORMERLY BEING A PORTION OF THE ENGLEWOOD DISTRICT) LYING IN SEDGWICK COUNTY, KANSAS, DESCRIBED IN SANTA FE DOCUMENT DEED NO. 39912, DATED JUNE 30, 1941 AND RECORDED IN BOOK 522, PAGE 380 ON SEPTEMBER 29, 1941 IN THE REGISTER OF DEEDS OFFICE FOR SEDGWICK COUNTY, KANSAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF SENECA STREET AT THAT LINE'S INTERSECTION WITH THE CENTERLINE OF THE MAIN TRACK OF THE ATCHISON, TOPEKA AND SANTA FE COMPANY'S WICHITA SUBDIVISION AT MILEPOST 1+3345 FEET, MORE OR LESS, AND BEING IN THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 27 SOUTH, RANGE 1 EAST OF THE SIXTH PRINCIPAL MERIDIAN IN THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS;

THENCE IN A GENERALLY SOUTHWESTERLY DIRECTION THROUGH SECTIONS 30 AND 31, TOWNSHIP 27 SOUTH, RANGE 1 EAST OF THE SIXTH PRINCIPAL MERIDIAN TO A POINT ON THE EAST LINE OF SECTION 36, TOWNSHIP 27 SOUTH, RANGE 1 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MILEPOST 2+4225.5 FEET OF THE WICHITA SUBDIVISION AND ALSO BEING MILEPOST 211+2579.9 FEET OF THE FORMER ENGLEWOOD DISTRICT;

THENCE CONTINUING IN A GENERALLY SOUTHWESTERLY DIRECTION THROUGH SECTION 36, TOWNSHIP 27 SOUTH, RANGE 1 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, PASSING THE HEADBLOCK OF THE 1931 RELOCATED WICHITA SUBDIVISION AT MILEPOST 2+0724.7 FEET AHEAD = MILEPOST 2+4479 FEET BACK WICHITA SUBDIVISION AND ALSO BEING MILEPOST 211+2833.4 FEET OF THE FORMER ENGLEWOOD DISTRICT, AND CONTINUING TO THE POINT OF TERMINATION OF THIS DISTRICT NEAR THE MISSOURI PACIFIC RAILROAD CROSSING AT MILEPOST 212.4 AS DESCRIBED IN AGREEMENT DATED DECEMBER 18, 1990, BETWEEN THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AND THE KANSAS DEPARTMENT OF TRANSPORTATION (KDOT).

AND ALSO:

THE REAL ESTATE AND IMPROVEMENTS THAT CONSTITUTE THAT PORTION OF THAT CERTAIN LINE OF RAILROAD DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS THE WICHITA SUBDIVISION, LYING IN SEDGWICK, KINGMAN AND PRATT COUNTIES, KANSAS, DESCRIBED IN SANTA FE DOCUMENT CONTRACT NO. 12995, DATED DECEMBER 31, 1898 AND RECORDED IN BOOK 173, PAGE 3 ON MARCH 14, 1899 IN THE REGISTER OF DEEDS OFFICE FOR SEDGWICK COUNTY, KANSAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE AFOREMENTIONED HEADBLOCK OF THE WICHITA SUBDIVISION AT MILEPOST 2+0724.7 FEET AHEAD = MILEPOST 2+4479 FEET BACK WICHITA SUBDIVISION AND ALSO BEING MILEPOST 211+2833.4 FEET OF THE FORMER ENGLEWOOD DISTRICT;

THENCE IN A GENERALLY NORTHWESTERLY DIRECTION THROUGH SECTIONS 36 AND 25, TOWNSHIP 27 SOUTH, RANGE 1 WEST OF THE SIXTH PRINCIPAL MERIDIAN TO A POINT ON THE WEST LINE OF SECTION 25, TOWNSHIP 27 SOUTH, RANGE 1 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THIS POINT BEING THE INTERSECTION OF THE 1931 RELOCATED CENTERLINE OF THE WICHITA SUBDIVISION WITH THE ORIGINAL ALIGNMENT OF THE MAIN TRACK OF THE WICHITA SUBDIVISION AT MILEPOST 3+2782.6 FEET, IN THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 26, 27, 28, 29, 32 AND 31, TOWNSHIP 27 SOUTH, RANGE 1 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF TYLER;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 36, 35, 34, 33, 32 AND 31, TOWNSHIP 27 SOUTH, RANGE 2 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF GODDARD;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 36, 35, 34, 33, 32 AND 31, TOWNSHIP 27 SOUTH, RANGE 3 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF GARDEN PLAIN;

THENCE IN A GENERALLY SOUTHWESTERLY DIRECTION THROUGH SECTION 36, TOWNSHIP 27 SOUTH, RANGE 4 WEST OF THE SIXTH PRINCIPAL MERIDIAN;

THENCE IN GENERALLY SOUTHWESTERLY AND WESTERLY DIRECTIONS THROUGH SECTIONS 1, 2, 11, 10, 9, 8 AND 7, TOWNSHIP 28 SOUTH, RANGE 4 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF CHENEY, AND TO THE SEDGWICK COUNTY/KINGMAN COUNTY LINE;

THE REAL ESTATE AND IMPROVEMENTS THAT CONSTITUTE THAT PORTION OF THAT CERTAIN LINE RAILROAD DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS THE MCPHERSON SUBDIVISION LYING IN MCPHERSON, KANSAS, DESCRIBED IN SANTA FE DOCUMENT DEED NO. 13388, DATED APRIL 10, 1901, AS RECORDED IN BOOK 4 MISCELLANEOUS, PAGE 597 ON APRIL 17, 1901 IN THE MARION COUNTY RECORDER'S OFFICE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE MARION COUNTY/MCPHERSON COUNTY LINE;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 24, 23, 22, 21, 20 AND 19, TOWNSHIP 19 SOUTH, RANGE 1 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF CANTON;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 24, 23, 22, 21, 20 AND 19, TOWNSHIP 19 SOUTH, RANGE 2 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF GALVA, TO A POINT ON THE WEST LINE OF THIS SECTION 19, TOWNSHIP 19 SOUTH, RANGE 2 WEST, THIS POINT BEING THE INTERSECTION OF THE CENTERLINE OF THE MAIN TRACK OF THE MCPHERSON SUBDIVISION, AT MILE POST 42+4660 FEET, WITH THE WEST LINE OF SECTION 19, TOWNSHIP 19 SOUTH, RANGE 2 WEST, MCPHERSON COUNTY, KANSAS.

AND ALSO:

COMMENCING AT THE POINT OF INTERSECTION OF THE WEST LINE OF SECTION 19, TOWNSHIP 19 SOUTH, RANGE 2 WEST OF THE SIXTH PRINCIPAL MERIDIAN, MCPHERSON COUNTY, KANSAS, WITH THE CENTERLINE OF ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY'S MCPHERSON SUBDIVISION MAIN TRACK AT MILE POST 42+4660 FEET THEREOF;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 24, 23, 22, 27, 28, 29 AND 30, TOWNSHIP 19 SOUTH, RANGE 3 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF McPHERSON;

THENCE CONTINUING IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 25, 26, 27, 28, 29 AND 30, TOWNSHIP 19 SOUTH, RANGE 4 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF CONWAY, TO A POINT IN THE NORTHWEST QUARTER OF THE AFOREMENTIONED SECTION 30 BEING 1,110 FEET, MORE OR LESS, EASTERLY ALONG THE CENTERLINE OF THE McPHERSON SUBDIVISION MAIN TRACK FROM THE WEST LINE OF THE AFOREMENTIONED NORTHWEST QUARTER OF SECTION 30 AND BEING MILE POST 55+0000 FEET OF THE McPHERSON SUBDIVISION.

AND ALSO:

COMMENCING AT A POINT ELEVEN HUNDRED TEN (1110) FEET, MORE OR LESS, EASTERLY ALONG THE CENTERLINE OF THE MAIN TRACK OF THE McPHERSON SUBDIVISION, EAST OF THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 19 SOUTH, RANGE 4 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THIS POINT BEING AT MILEPOST 55+0000 FEET, NEAR CONWAY, McPHERSON COUNTY, KANSAS;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTION 30, TOWNSHIP 19 SOUTH, RANGE 4 WEST OF THE SIXTH PRINCIPAL MERIDIAN;

THENCE IN A GENERALLY WESTERLY DIRECTION THROUGH SECTIONS 25, 24, 23, 22, 21, 20 AND 19, TOWNSHIP 19 SOUTH, RANGE 5 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THROUGH THE COMMUNITY OF WINDOM, AND TO THE McPHERSON COUNTY/RICE COUNTY LINE;

RAIL LINES TO BE CONVEYED

1. Santa Fe's Salina Subdivision rail line between Milepost 20 + 492 feet at Salina, Kansas, and Milepost 102 + 4751.4 feet in Osborne, Kansas, including all industry, team, passing, house, and side track, and including all of Santa Fe's yard tracks and side tracks at Salina.
2. Santa Fe's McPherson Subdivision rail line between Milepost 11 + 1984 feet, west of Marion, Kansas, and Milepost 98 + 1209.5 feet, in Ellinwood, Kansas, including all industry, team, passing, house, and side tracks and including Santa Fe's yard tracks in Ellinwood, Kansas, and McPherson, Kansas.
3. Santa Fe's Little River Subdivision rail line between Milepost 20 + 2769.6 feet, in Lorraine, Kansas, Milepost 57 + 2730 feet, in Galatia, Kansas, including all industry, team, passing, house, and side tracks.
4. Santa Fe's Great Bend Subdivision rail line between Milepost 0 + 0 feet, in Great Bend, Kansas, and Milepost 120 + 1338.7 feet, in Scott City, Kansas, including all industry, team, passing, house, and side tracks.
5. Santa Fe's Garden City Subdivision rail line, between Milepost 120 + 169 feet in Scott City, Kansas, and Milepost 125 + 4687 feet, at Shallow Water, Kansas, including all industry, team, passing, house, and side tracks and including Santa Fe's interest in any right-of-way from which the track has been removed.
6. Santa Fe's Hutchinson Subdivision rail line between Milepost 218.3228 east of Monroe Street, in Hutchinson, Kansas, and Milepost 315 + 4230.1 feet, in Kinsley, Kansas, including all industry, team, passing, house, and side tracks and including all of Santa Fe's yard tracks in Great Bend, Kansas.
7. Santa Fe's entire Larned Subdivision rail line, between Milepost 0 + 0 feet, at Larned, Kansas and Milepost 46 + 2483.5 feet, in Jetmore, Kansas, including all industry, team, passing, house, and side tracks.

8. Santa Fe's H & S Subdivision rail line between Milepost 3 + 2640 feet, near Darlow, Kansas, and Milepost 59 + 4005.2 feet, in Harper, Kansas.
9. Santa Fe's H & S Subdivision rail line between Milepost 59 + 4013.2 feet, in Harper, Kansas, and Milepost 128 + 0 feet, in Blackwell, Oklahoma, including all industry, team, passing, house, and side tracks.
10. Santa Fe's H & S Subdivision rail line between Milepost X - 35 + 1848 feet in Blackwell, Oklahoma, and Milepost X - 0 + 466.3 feet, in Wellington, Kansas, including all industry, team, passing, house, and side tracks.
11. Santa Fe's Wichita Subdivision rail line between Milepost 1.5 just west of Seneca Street in Wichita, Kansas (including the remaining trackage on the Englewood Subdivision in Wichita) and Milepost 79 + 3855 feet, in Pratt, Kansas.
12. Santa Fe's entire Englewood Subdivision rail line, between Milepost 46 + 0 feet east of Rago, Kansas, and Milepost 166 + 2917.7 feet, in Englewood, Kansas, including all industry, team, passing, house, and side tracks.
13. Santa Fe's Medicine Lodge Subdivision rail line, between Milepost 49 + 1784 feet, at O.B. Junction, near Belvidere, Kansas, and Milepost 0 + 1016 feet, in Attica, Kansas, including all industry, team, passing, house, and side tracks and including the entire spur line located near Sun City, Kansas.

To the extent the descriptions on this exhibit and the legal descriptions on the attachments to the deeds differ, the more explicit descriptions on the attachments shall control.

SCHEDULE 5

PATENTS, TRADEMARKS AND COPYRIGHTS

None.

SCHEDULE 6

COLLATERAL LOCATIONS

Central Kansas Railway, Inc.
209 West Dewey
Wichita, Kansas 67202

Collateral is located on Purchased Line in Kansas and Oklahoma.
Collateral consisting of general intangibles is located in Colorado
and Kansas.

NONE.