

0-186A007

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567

312-558-1000

TWX NUMBER
910-221-1154

TELECOPIER
312-750-8600

529 FIFTH AVENUE
NEW YORK, NEW YORK 10017-4608
212-949-7075

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
201-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

SUSAN G. LICHTENFELD

16922
RECORDATION NO. _____ FILED 1425

JUL 5 1990 10 10 AM

INTERSTATE COMMERCE COMMISSION
July 5, 1990

JUL 5 10 04 AM '90
UNIT

VIA MESSENGER

Ms. Noreta R. McGee
Secretary
INTERSTATE COMMERCE COMMISSION
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original executed copy and three photostatic copies of a Security Agreement, dated July 3, 1990, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Security Agreement are:

Bank:	Key Bank of Utah Key Bank Tower, Suite 1013 50 South Main Street P.O. Box 30815 Salt Lake City, UT 84130-0815
Borrower:	Wilson Railway Corporation 901 Thomas Beck Road Des Moines, IA 50303-0697

A description of the locomotives covered by the Security Agreement is set forth therein.

Also enclosed is a check in the amount of \$15.00 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Counterpart - Kathryn Hutton

Noreta R. McGee
July 5, 1990
Page 2

Kindly return the stamped original and two stamped photostatic copies of the above described Security Agreement and the stamped photostatic copy of this letter to the person making the filing.

Following is a short summary of the enclosed document:

Security Agreement to Be Recorded

Security Agreement dated July 3, 1990, between Key Bank of Utah and Wilson Railway Corporation, granting a security interest in three locomotives.

Very truly yours,


Susan G. Lichtenfeld

SGL:ssb

enc.

cc: Douglas A. Wilson
Damon G. Miller
Robert W. Kleinman

Interstate Commerce Commission

Washington, D.C. 20423

7/5/90

OFFICE OF THE SECRETARY

Susan G. Lichtenfeld
Ross & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601-7567

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/5/90 at 10:10AM, and assigned recordation number(s). 16922.

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

JUL 5 1990 - 10 10 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

IN CONSIDERATION of KEY BANK OF UTAH ("Bank") making a loan or otherwise extending credit to Wilson Railway Corporation (hereinafter "Borrower"), and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the undersigned hereby agrees as follows:

1. Security Interest. The undersigned hereby transfers, conveys, assigns, and grants to Bank a security interest in and to the following (hereinafter the "Collateral") to secure the obligation (as hereinbelow defined):

(a) WRC Unit #115, GP-7, 1500 HP, 120 ton, EMD locomotive, builder's number 6323-6;

(b) WRC Unit #121, GP-7, 1500 HP, 120 ton, EMD locomotive, builder's number 5150-2;

(c) WRC Unit #33, S12, 1200 HP, 120 ton, Baldwin locomotive, builder's number 76138;

(d) all packaging, manuals, and instructions related to (a), (b), or (c) above; and all raw materials, work in process, or materials now or hereafter attached to, incorporated into, or intended to be attached to, incorporated into, or sold with (a), (b), or (c) above; and

(e) all proceeds or products of (a), (b), (c), or (d) above.

The descriptions of the locomotives in (a), (b), and (c) above are for identification purposes only. The security interest created by this instrument is intended to cover the described locomotives as they may be hereafter rebuilt or otherwise modified, even if the modification may render the descriptions of (a), (b), or (c) inaccurate.

2. Obligation. This security interest is given as security for all indebtedness and obligations owed by Borrower to Bank, whether now existing or hereafter incurred, no matter how evidenced or arising, together with all extensions, modifications, or renewals thereof; all expenditures incurred by Bank to protect and maintain the Collateral and to enforce the terms of this Agreement; and all of the undersigned's obligations hereunder (hereinafter collectively referred to as the "Obligation").

3. Trade Names. The undersigned warrants and represents that it has not done business during the preceding five years under any corporate or trade name other than the following:

4. Principal Place of Business. The undersigned warrants and represents that it has not changed its principal place of business during the last six months except as previously disclosed in writing to Bank.

5. Lists of Collateral. At such times as Bank may request, the undersigned will give Bank a statement of the Collateral or such part thereof as Bank may prescribe specifically describing each item constituting the Collateral at the time of such statement together with such supporting information and documents pertaining to the Collateral as Bank may require.

6. Location of Collateral and Records. The undersigned agrees that the Collateral will be kept at the address below its signature, or at such other place as the undersigned notifies Bank in writing. None of the Collateral will be moved from its designated location without Bank's prior written consent or as otherwise permitted by this Agreement. The undersigned hereby grants to Bank a security interest in all ledger sheets, books, records, and documents concerning any of the Collateral, including all computer records, programs, storage media and computer software useful or required in connection therewith. The undersigned will at all times keep accurate and complete records of the Collateral. Bank or any of its agents will have the right at any time to enter any premises where any of the Collateral or records pertaining thereto are located to inspect the same and to inspect, audit, check and make extracts from any records or other data relating to the Collateral or any part thereof or to any other transaction between the parties hereto. The undersigned will provide Bank with copies of all agreements between the undersigned and any warehouse at which any of the Collateral may, from time to time, be kept and all leases or similar agreements to which the undersigned is a party. At Bank's request, the undersigned will obtain landlord and/or mortgagee lien waivers, in form and content satisfactory to Bank, regarding any of the Collateral.

7. Sales of Collateral. The undersigned will not sell, lease, or otherwise dispose of any of the Collateral without the prior, written consent of Bank, which will not be unreasonably withheld, and agrees to assign payment for the Collateral directly to Bank, or otherwise at Bank's direction to transfer all proceeds of the sale or other disposition to Bank for application to Borrower's indebtedness to Bank.

8. Collection of Accounts. In the event an account or any other right to receive payment (an "Account" or "Accounts") is assigned to Bank pursuant to the preceding paragraph, Bank will have the right to notify any person obligated on any such Account to make payment directly to Bank (and the undersigned agrees to confirm or co-sign any such notification), to take possession of all proceeds of such Accounts and to take such action which the undersigned might or could take to enforce such Accounts, including the right to make any modification, and take possession

of, sell or dispose of the Collateral, the sale of which gave rise to an Account, without affecting the undersigned's liability hereunder. Bank may cash or deposit any check or other item evidencing payment on an Account, endorsing the undersigned's name if necessary. Bank may, in good faith and in connection with the exercise of its rights hereunder, open mail addressed to the undersigned. The cost of such collection and enforcement, including attorney's fees and legal expenses, shall be borne solely by the undersigned, whether the same are incurred by Bank or by the undersigned, and whether or not the attorney is a salaried employee of Bank.

9. Proceeds. The undersigned will account fully and faithfully for all proceeds in whatever form received from the disposition in any manner of any of the Collateral. As used herein, the term "proceeds" means all products of the Collateral and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering any of the Collateral, all property received wholly or partly in trade or exchange for any of the Collateral, all leases of any of the Collateral, and all rents, revenues, issues, profits, and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition, of any of the Collateral or any interest therein. Upon Bank's demand, the undersigned will, upon receipt of such proceeds, promptly pay or turn over the same to Bank, deposited in precisely the form received, except for the endorsement of the undersigned where necessary to permit collection of items, which endorsement the undersigned agrees to make and which Bank is also authorized to make on the undersigned's behalf. Pending such deposits of cash proceeds or the transfer to Bank of any proceeds other than cash proceeds ("non-cash proceeds"), the undersigned agrees that it will not commingle any such proceeds with any of the undersigned's funds or property but will hold them separate and apart therefrom and open an express trust for Bank until deposit or transfer to the Bank, as the case may be. Bank may from time to time with respect to collected funds on deposit with Bank and with respect to collected funds realized from any non-cash proceeds, apply the same against the Obligation, the order and method of such application to be in the sole discretion of Bank. Any portion of the funds on deposit with Bank or any other proceeds in the hands of Bank which Bank elects not to so apply may be paid over by Bank to the undersigned.

10. Transfer of Documents or Goods. Bank assumes no responsibility for the correctness, validity, enforceability or genuineness of any documents released to the undersigned or for the existence, character, quality, condition, value or delivery of any goods purported to be represented by such documents or which are a part of the Collateral or the proceeds thereof.

11. Government Obligations. If any of the Accounts arise out of contracts with the United States or any department, agency or instrumentality thereof, the undersigned will

immediately notify Bank thereof and execute any instruments and take any steps required by Bank in order that all moneys due and to become due under such contract will be assigned to Bank and notice thereof given to the United States under the Federal Assignment of Claims Act.

12. Title; Filing. The undersigned warrants that, except as previously disclosed to Bank, it is the owner of the Collateral free and clear of all liens, claims, and encumbrances of whatever kind or nature and that no financing statement is now on file in any public office covering any of the Collateral or any of the proceeds thereof and that so long as any of the obligation remains unpaid, the undersigned will not execute or file a financing statement or security agreement covering the Collateral to anyone other than Bank, or sell or factor any of the Accounts. The undersigned agrees to sign and deliver one or more financing statements or supplements thereto or other instruments as Bank may from time to time require to comply with the Uniform Commercial Code or other applicable law to preserve, protect and enforce the security interest of Bank and to pay all costs of filing such statements or instruments. The undersigned consents that a photocopy or other reproduction of this agreement may be filed as a financing statement.

13. Care of Property. The undersigned will keep in effect all licenses, permits and franchises required by law or contract relating to the undersigned's business (if applicable), property, or the Collateral; keep the Collateral in good repair and be responsible for any loss or damage to it; at all times warrant and defend the undersigned's ownership and possession of the Collateral; keep the Collateral free from all liens, claims, encumbrances and security interests; pay when due all taxes, license fees, and other charges upon the Collateral or upon the undersigned's business, property or the income therefrom; and not misuse, conceal or in any way use or dispose of the Collateral unlawfully or contrary to the provisions of this Agreement or of any insurance coverage. Loss of, or damage to, or uncollectability of the Collateral or any part thereof will not release the undersigned from any of its obligations hereunder. The undersigned will not enter into any agreements for consignment of the Collateral without Bank's written consent.

14. Insurance. The undersigned agrees, at its expense, to insure the Collateral against loss, damage, theft, and such other risks as Bank may require to the full insurable value thereof with insurance companies and under policies in form satisfactory to Bank. Proceeds from the insurance will be payable to Bank as its interests may appear and all policies will provide for twenty (20) days minimum prior written cancellation notice to Bank. Policies or certificates attesting the coverage will be delivered to Bank. Insurance proceeds may be applied by Bank toward payment of any of the Obligation, whether or not due, in such order of application as Bank may determine.

15. Right to Protect. If the undersigned fails to make any payments or perform any act required by this Agreement or which Bank deems advisable to preserve the Collateral or any part thereof or the priority or perfection of Bank's security interest, Bank may advance funds for the same and such advances will be part of the Obligation secured hereby and will be immediately payable with interest thereon at the highest rate set forth in any note, loan agreement, or other evidence of indebtedness secured hereby. In protecting, exercising, or assuring its interest under this Agreement, Bank may receive, open, and dispose of mail addressed to the undersigned and execute, sign and endorse on behalf of the undersigned in the name of the undersigned negotiable and other instruments for the payment of money, documents of title, other evidences of title, payment, shipment or storage relating to the Collateral or the proceeds thereof and any correspondence pertaining thereto. This power is coupled with an interest and is, therefore, irrevocable.

16. Compliance With Law. The undersigned will comply with all federal, state and local laws, regulations, rulings and orders applicable to the undersigned or its assets or business, in all respects. Without limiting the generality of the previous sentence, the undersigned will comply with all requirements of the federal Fair Labor Standards Act in the conduct of its business and the production of inventory. The undersigned will notify Bank immediately of any violation by the undersigned of the Fair Labor Standards Act, and a failure of the undersigned to so notify Bank will constitute a continuing representation that all inventory then existing, specifically including the Collateral, has been produced in compliance with the Fair Labor Standards Act.

17. Default. A default hereunder will occur if any of the following events occur: (1) failure to pay any of the Obligation when due; (2) the undersigned fails to perform any undertaking or breaches any warranty in this Agreement or Borrower fails to perform any undertaking or breaches any warranty in any of the Obligation; (3) any statement, representation or warranty of the undersigned or Borrower herein or in any other writing at any time furnished by Borrower or the undersigned to Bank is untrue in any material respect when made; (4) Borrower or the undersigned becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against either of them alleging that either is insolvent or unable to pay debts as they mature; (5) entry of any judgment against the undersigned or Borrower; (6) death of the Borrower or the undersigned where either is a natural person or of any partner of Borrower or the undersigned where either is a partnership; (7) dissolution, merger or consolidation or transfer of a substantial part of the property of the Borrower or the undersigned where either is a corporation or a partnership; (8) an attachment, garnishment, execution or other process is issued or a lien filed against any property of Borrower or the undersigned; (9) transfer of any interest in any of the Collateral contrary to the provisions of this Agreement without the prior

written consent of Bank; (10) any of the Collateral is lost, stolen or materially damaged; or (11) Bank otherwise in good faith deems itself insecure, or, in good faith, believes that the Obligation is inadequately secured or that the prospect of timely payment is impaired. Waiver of any default will not constitute a waiver of any subsequent default.

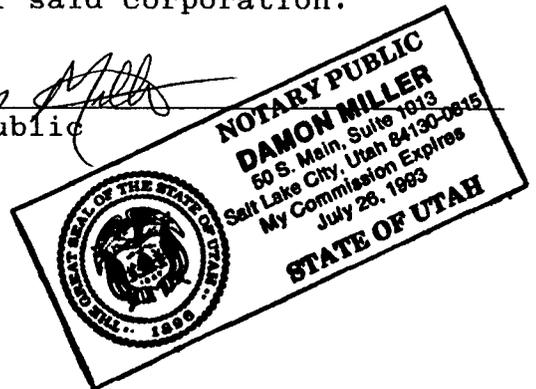
18. Remedies. Upon the occurrence of any default hereunder and at any time thereafter, all of the Obligation will, at the election of Bank and without notice of such election, or demand for payment, become immediately due and payable and Bank will have the remedies of a secured party under the Utah Uniform Commercial Code or other applicable law. Bank will have the right to enter upon any premises where the Collateral or any records pertaining thereto may be and take possession of such Collateral and records, without any obligation to pay rent to the undersigned. Bank may remove the Collateral from such premises for such time as Bank may require to collect or liquidate the Collateral, through self-help and without judicial process or first obtaining a final judgment or giving the undersigned notice and opportunity for a hearing on the validity of Bank's claim. The undersigned will, if requested by Bank, assemble the Collateral and the records pertaining thereto at a place designated by Bank. Without notice to the undersigned, Bank may obtain the appointment of a receiver of the business, property and assets of the undersigned. Bank may sell, lease or otherwise dispose of any or all of the Collateral and, after deducting the expenses incurred by Bank, including reasonable attorney's fees and legal expenses, whether or not the attorney is a salaried employee of Bank, incurred prior to, during, or subsequent to any litigation, bankruptcy proceeding, or appeal, apply the residue to pay (or to hold as a reserve against) the Obligation. Bank may give any notice to the undersigned required by law by mailing such notice, postage prepaid, at least five days before the event to any address of the undersigned set forth in this Agreement. Where the undersigned and Borrower are the same person or entity, Bank will have the right, as set forth herein and in any rules or regulations governing deposit accounts with Bank as the same may be modified, immediately and without prior notice or demand to set off against the Obligation, whether or not due, all money and other amounts owed by Bank to the undersigned in any capacity. Bank will be deemed to have exercised such right or set-off and to have made a charge against any such money or amounts immediately upon the occurrence of such default, even though such charge is entered on the books of Bank subsequent thereto.

19. General. The waiver by Bank of any breach of any provision of this Agreement or warranty or representation herein set forth will not be construed as a waiver of any subsequent breach. The failure to exercise any right hereunder by Bank will not operate as a waiver of such right. All rights and remedies herein provided are cumulative. The undersigned may not assign its rights or delegate its duties hereunder without Bank's prior written consent. This Agreement and any note or other writings

STATE OF UTAH)
:ss.
COUNTY OF SALT LAKE)

On this 3RD day of July, 1990, before me personally appeared DOUGLAS A. WILSON, to me personally known, who being by me duly sworn, says that he is the PRESIDENT of WILSON RAILWAY CORPORATION, that said instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Damon Miller
Notary Public



STATE OF UTAH)
:ss.
COUNTY OF SALT LAKE)

On this 3RD day of July, 1990, before me personally appeared DAVID L. BROWN, to me personally known, who being by me duly sworn, says that he is the SENIOR VICE PRESIDENT of KEY BANK OF UTAH, that said instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Damon Miller
Notary Public

