

GREENSFELDER, HEMKER & GALE, P.C.

ATTORNEYS AT LAW

1800 EQUITABLE BUILDING
10 SOUTH BROADWAY
ST. LOUIS, MISSOURI 63102-1774
TELEPHONE (314) 241-9090
TELEFAX (314) 241-8624
TWX 910-761-0410

GREENSFELDER, HEMKER & GALE
A PARTNERSHIP INCLUDING
A PROFESSIONAL CORPORATION
44 MONTGOMERY STREET
SUITE 3300
SAN FRANCISCO, CALIFORNIA 94104
TELEPHONE (415) 399-8323
TELEFAX (415) 391-2485

December 13, 1990

17124
RECORDED NO. _____ FILED IN
DEC 14 1990 - 1 20 PM
INTERSTATE COMMERCE COMMISSION

0-348A044

VIA FEDERAL EXPRESS
DOCUMENTS FOR RECORDATION

Ms. Mildred Lee, Recordations
Interstate Commerce Commission
Room 2303
12th & Constitution Avenue Northwest
Washington D.C., 20423

Re: Document For Recordation;
Consent To Transfer

Dear Mildred:

I have enclosed an original and one verified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Consent to Transfer (primary document) dated December 14, 1990. The names and addresses of the parties to the Consent to Transfer are as follows:

Borrower: ↓ *essel* Gregory B. and Connie S. Cundiff
1104 North Smiley
O'Fallon, Illinois 62269

Lender: ↓ *lender* First Bank of Illinois
200 South Lincoln
O'Fallon, Illinois 62269
Attn: Douglas Distler,

Assignee Transferee *Transferee* CSC Enterprises, Inc.
Eagle Center III, Suite 5
O'Fallon, Illinois 62269

A description of the equipment covered by the document is as follows:

DEC 14 1 00 PM '90
MOTOR OPERATING UNIT

Ms. Mildred Lee, Recordations
December 13, 1990
Page 2

- (a) Locomotive No. 1233, SW9, Serial No. 29446
- (b) Locomotive No. RSM-7, NW2, Serial No. 125678C3735
- (c) Locomotive No. TRS-4159, GP7, Serial No. 12-567-A
- (d) Locomotive No. 1209, Serial No. 52F166.

A fee of \$15.00 is enclosed for recording the Consent To Transfer. Please return to me at least one (1) filed stamped and recorded original Consent To Transfer to the undersigned at the address noted above.

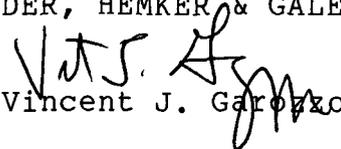
A short summary of the document to appear in the index follows:

Consent to Transfer between Gregory B. Cundiff and Connie S. Cundiff, his wife, as borrower, CSC Enterprises, Inc., as transferee, and First Bank of Illinois, as lender, wherein borrower has assigned all of their right, title and interest in and to Locomotive No. 1233, SW9, Serial No. 29446, Locomotive No. RSM-7, NW2, Serial No. 125678C3735, Locomotive No. TRS-4159, GP7, Serial No. 12-567-A, and Locomotive No. 1209, Serial No. 52F166 to transferee and transferee acknowledges such transfer to be made subject to lender's first priority liens thereon.

Very Truly Yours,

GREENSFELDER, HEMKER & GALE, P.C.

By


Vincent J. Garozzo

1379/203
Enclosures

cc: Douglas Distler (w/enclosures)
Sheldon K. Stock (w/o enclosures)

Interstate Commerce Commission
Washington, D.C. 20423

12/18/90

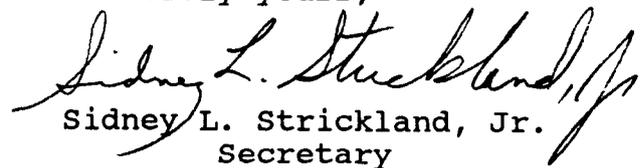
OFFICE OF THE SECRETARY

Vincent J. Garozzo
Greensfelder Henker & Gale, Inc
1800 Equitable Building
10 South Broadway
St Louis Missouri 63102-1774

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 12/14/90 at 1:15pm, and assigned recordation number(s). 17122, 17123 & 17124

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17124

REGISTRATION NO. FILED 1425

VERIFICATION

DEC 14 1990 -1 22 PM

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

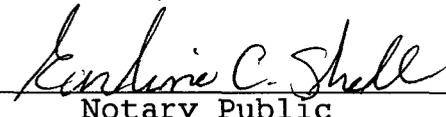
INTERSTATE COMMERCE COMMISSION

Vincent J. Garozzo, attorney, being duly sworn, deposes and states that he has compared the attached copy with the original document and has found the copy to be complete and identical in all respects to the original document.



Vincent J. Garozzo

Subscribed and sworn to before me this 13th day of December, 1990.



Notary Public

My term expires:

EARLINE C. SHELL
NOTARY PUBLIC, STATE OF MISSOURI
MY COMMISSION EXPIRES 6/12/93
ST. LOUIS CITY

17124

DEC 14 1990

DEC 14 1990 -1 22 PM

CONSENT TO TRANSFER

INTERSTATE COMMERCE COMMISSION

THIS CONSENT TO TRANSFER ("Consent") is made and entered into effective on the 14th day of December, 1990, by and between GREGORY B. CUNDIFF and CONNIE S. CUNDIFF, his wife, residents of the State of Illinois ("Borrower"), CSC ENTERPRISES, INC., a Missouri corporation ("CSC") and FIRST BANK OF ILLINOIS, an Illinois state chartered banking corporation ("Lender").

RECITALS

A. Lender and Borrower desire to enter into that certain Loan Agreement ("Loan Agreement"), the terms and conditions of which are incorporated herein by this reference, pursuant to which Lender has agreed to loan to Debtor the principal sum of Four Hundred Thousand and No/100 Dollars (\$400,000) (the "Loan"), the proceeds of which will be used in part to purchase from Merchants Management Corp., a Delaware corporation ("Merchants") the following locomotives: (i) Locomotive No. 1233, SW9, Serial No. 29446, (ii) Locomotive No. RSM-7, NW2, Serial No. 125678C3735, (iii) Locomotive No. TRS-4159, GP7, Serial No. 12-567-A, (iv) Case 580-D Super Back Hoe, Serial No. 9070198 and (v) 580-C Back Hoe (1978 Case), Serial No. 8957590, (collectively the "Purchased Equipment"), and to obtain an assignment of all of Merchant's rights as lessee under that certain lease agreement dated September 1, 1988 (the "Lease"), between Stegmann Enterprises, Inc., a Missouri corporation ("Lessor") and Merchants, as lessee, covering that certain locomotive more particularly described as an E.M.D. 1200 H.P. diesel locomotive, number 1209, Serial No. 52F166 (hereinafter the "Leased Locomotive"), all of which pursuant to that Stock Purchase Agreement between Merchants and Borrower of even date herewith ("Stock Purchase Agreement") (hereinafter the Purchased Equipment and the Leased Locomotive may sometimes be collectively referred to herein as the "Equipment").

B. The Loan will be evidenced by that certain promissory note executed by Borrower and delivered to Lender dated the date hereof (the "Note").

C. The Note will be secured by, inter alia, (a) that certain Security Agreement between Borrower and Lender, of even date herewith ("Security Agreement"), pursuant to which Borrower is granting to Lender a first priority security interest in and to the Purchased Equipment, and (b) that certain Collateral Assignment of Lease between Borrower and Lender, of even date herewith ("Assignment"), pursuant to which Borrower has assigned to Lender as additional collateral for the Note all of its right, title and interest in and to the Lease and the Leased Locomotive.

D. Immediately after Lender makes the Loan to Borrower to acquire the Equipment, Borrower desires to transfer, convey and assign the Equipment to CSC, subject to the existing lien, charge and encumbrance granted in favor of Lender by the Security

Agreement and the Assignment, a corporation wholly owned by Borrower, individually or collectively.

E. As a condition to Lender consenting to the transfer of the Equipment to CSC, subject to the lien, charge and encumbrance granted in favor of Lender by the Security Agreement and the Assignment, Lender has required that Borrower and CSC enter into this Consent to secure the punctual payment and performance of all of Borrower's Obligations (as defined in the Loan Agreement).

NOW, THEREFORE, in consideration of the premises described herein, and to induce Lender to consent to the transfer of the Equipment to CSC, the parties mutually agree as follows:

1. Lender Consent. Lender hereby consents to the transfer of the Equipment to CSC, subject to the existing lien, charge and encumbrance granted in favor of Lender by the Security Agreement and the Assignment, and subject to and on the terms and conditions contained herein.

2. No Impairment of Lien. All the Equipment, together with all machinery, equipment, engines, boilers, incinerators, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the ownership and operation of the foregoing, including replacements and additions thereto, all payments under insurance payable by reason of loss or damage or otherwise with respect to such property, and all products and proceeds thereof (collectively the "Collateral") shall remain in all respects subject to the lien, charge and encumbrance of the Security Agreement and the Assignment, and nothing contained herein, and nothing done pursuant hereto, shall affect or be construed to affect the lien, charge or encumbrance of the Security Agreement or the Assignment, or the priority thereof over all other liens, charges, encumbrances or conveyances, or to release or affect the liability of Borrower, or any other parties who may now or hereafter be liable under or on account of said Security Agreement and Assignment, including, without limitation any guarantor thereof; nor shall anything contained herein or done in pursuance hereof affect or be construed to affect any other security or instrument held by Lender as security for or evidence of Borrower's Obligations (as defined in the Loan Agreement).

3. Consent to Security Agreement and Assignment. CSC does hereby consent to each and every term, condition and covenant contained in the Security Agreement and Assignment, as if an original party thereto, and hereby acknowledges Lender's existing and superior lien, charge and encumbrance on the Equipment.

4. Borrower Reaffirmation. Borrower hereby reaffirms their respective obligations to Lender under and pursuant to the Security Agreement and Assignment and hereby covenants to perform

or refrain from performing, or cause CSC to perform or refrain from performing, all the terms, agreements, covenants and other obligations of Borrower under the Security Agreement and the Assignment.

5. Further Assurances. Borrower will, from time to time, do and perform, or will cause CSC, from time to time, to do and perform, any other act or acts and will execute, acknowledge, deliver and file, register, record and deposit (and will refile, reregister, rerecord and deposit whenever required) any and all further instruments, including any extensions and renewals thereof, required by law or reasonably requested by Lender in order to confirm, or further assure, the interests of Lender hereunder. In addition, Borrower shall obtain the written consent of Lessor under the Lease to this Consent in the form attached hereto as Exhibit 1.

6. Assignment. If Lender shall convey or assign its rights under or pursuant to the Loan Agreement to any successor or assign, then Lender may assign to such successor or assign all or any of the rights assigned to it hereby. In such event, such successor or assign shall enjoy all rights and privileges and be subject to all obligations of the assignor and there shall be no further liability of Lender hereunder.

7. Defined Terms. All terms used herein which are not defined herein but are defined in the Loan Agreement shall have the meanings ascribed to them therein.

8. Construction. THIS CONSENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF MISSOURI, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES, AND MAY BE ENFORCED IN ANY COURT IN THE STATE OF MISSOURI.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as of the day and year first above written.

LENDER

FIRST BANK OF ILLINOIS

By: *Douglas Distler*
Douglas Distler

Title: President

BORROWER

Gregory B. Cundiff
Gregory B. Cundiff

Connie S. Cundiff
Connie S. Cundiff

CSC

CSC ENTERPRISES, INC.

By: *Gregory B. Cundiff*

Title: President

ACKNOWLEDGEMENT BY GUARANTOR

The undersigned, as guarantor of all of Gregory B. Cundiff and Connie S. Cundiff's respective obligations under the Loan Agreement and Note, hereby consents to the terms and provisions of this Consent and hereby agrees that this Consent shall neither affect or be construed to affect its obligations under that certain Unconditional Guaranty of Payment, executed by it and delivered to Lender in connection with the Loan Agreement.

CRYSTAL CITY RAILROAD, INC.
(a Missouri corporation)

By: Gregory B Cundiff
Title: President

ACKNOWLEDGEMENTS

STATE OF Missouri)
City OF St Louis) ss.

On this 13th day of December, 1990, before me personally appeared Gregory B. Cundiff and Connie S. Cundiff, husband and wife, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Eardene C Shell
Notary Public
EARDENE C SHELL
NOTARY PUBLIC STATE OF MISSOURI
MY COM. EXPIRES 05-31-92

My term expires:

STATE OF Missouri)
City OF St Louis) ss.

On this 13th day of DECEMBER, 1990, before me appeared Douglas Distler, to me personally known, who, being by me duly sworn, did say that he is the President of First Bank of Illinois, an Illinois state chartered banking corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said Douglas Distler acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Earlene C. Shell
Notary Public

My term expires:

NOTARY
MY CO

STATE OF Missouri)
City OF St Louis) ss.

On this 13th day of DECEMBER, 1990, before me appeared Gregory B. Cundiff to me personally known, who, being by me duly sworn, did say that he/she is the PRESIDENT of CSC Enterprises, Inc., a Missouri corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said Gregory B Cundiff acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Earlene C. Shell
Notary Public

My term expires:

NOTARY
MY CO

STATE OF Missouri)
City OF St Louis) ss.

On this 13th day of December, 1990, before me appeared ~~Gregory B. Cundiff~~ Gregory B. Cundiff to me personally known, who, being by me duly sworn, did say that he/she is the President of Crystal City Railroad, Inc., a Missouri corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said Gregory B. Cundiff acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Janet C. Shell
Notary Public

My term expires:

EXHIBIT 1
to
Consent to Transfer
Dated December ____, 1990

CONSENT OF LESSOR

In consideration of FIRST BANK OF ILLINOIS, an Illinois state chartered banking corporation ("Lender") agreeing to make certain financial accommodations to GREGORY B. CUNDIFF and CONNIE S. CUNDIFF, his wife (collectively "Borrower"), the undersigned, _____, being a duly authorized representative of Stegmann Enterprises, Inc., a Missouri corporation, Lessor under that certain lease to Merchants Management Corp., a Missouri corporation ("Merchants"), which has been assigned by Merchants to Borrower pursuant to that certain Stock Purchase Agreement dated November 16, 1990 between Merchants and Borrower, for lease of that certain E.M.D. 1200 H.P. diesel locomotive, number 1209, serial number _____, hereby consents to the foregoing Consent to Transfer, and also to any subsequent assignment by Lender thereof, and the undersigned does hereby covenant and agree: (i) to give Lender not less than ten (10) days prior written notice (notice being deemed given when received in person or when given by telecopy or overnight express delivery) of any default, or any event which with the passage of time or the giving of notice, or both, would be a default by either Borrower or CSC Enterprises, Inc., a Missouri corporation, under the Lease; and (ii) not to declare a default under the Lease until expiration of at least ten (10) days after such notice is given.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed on this ___ day of _____, 1990, by its duly authorized representative.

STEGMANN ENTERPRISES, INC.
(a Missouri corporation)

By: _____

Title: _____