



The National Bank of Waterloo

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INTERSTATE COMMERCE COMMISSION

1-008A006

January 2, 1991

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Avenue NW
Room 2303
Washington, D.C. 20423

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JAN 8 1991 -10 55 AM
INTERSTATE COMMERCE COMMISSION

JAN 8 10 37 AM 1991
MOTOR OPERATING UNIT

Dear Ms. Lee:

Enclosed please find the original security agreement and UCC-1 to be filed for Iowa Northern Railway Co. As per our telephone conversation Monday, December 31, 1990, I have enclosed a check for the \$15.00 filing fee.

Should you have any questions, please feel free to contact me.

Sincerely,

Byron J. Loving

Byron J. Loving
Sr. Vice President
(319) 291-5297

BJL/1k1

Enclosures





The National Bank of Waterloo

1-022A013

January 16, 1991

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Avenue NW
Room 2303
Washington, D.C. 20423

Dear Ms. Lee:

As per our telephone conversation January 15, 1991, enclosed please find the following regarding Iowa Northern Railway Co.:

1. a notarized UCC-1 financing statement dated 12/27/90
2. a notarized Security Agreement dated 12/27/90
3. Check No. 366197 in the amount of \$15.00

As per our letter dated January 2, 1991, you have already received one signed UCC-1, a security agreement and Check No. 364740 in the amount of \$15.00.

If you should have any questions, please feel free to give me a call at the number below. Thank you.

Sincerely,

Lori Luthro
Commercial Loan Secretary
(319) 291-5221

/lk1



Interstate Commerce Commission
Washington, D.C. 20423

1/23/91

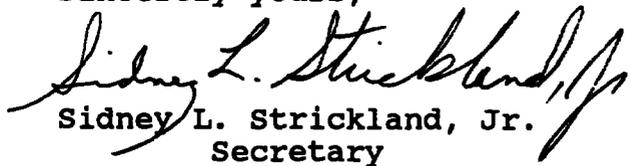
OFFICE OF THE SECRETARY

Byron J. Loving
SrVice President
The National Bank Of Waterloo
100 Park Avenue East
Waterloo, Iowa 50703

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 1/8/91 at 10:55am, and assigned recordation number(s). 17186 & 17186

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

OWNERSHIP AND DUTIES TOWARD PROPERTY - I represent that I own all of the property, or to the extent this is a purchase money security interest I will acquire ownership of the property with the proceeds of the loan. I will defend it against any other claim. Your claim to the property is ahead of the claims of any other creditor. I agree to do whatever you require to protect your security interest and to keep your claim in the property ahead of the claims of other creditors. I will not do anything to harm your position

I will keep books, records and accounts about the property and my business in general. I will let you examine these records at any reasonable time. I will prepare any report or accounting you request, which deals with the property.

I will keep the property in my possession and will keep it in good repair and use it only for its intended purposes. I will keep the property at my address listed on the front of this agreement, unless we agree I may keep it at another location. If the property is to be used in another state, I will give you a list of those states.

I will not try to sell the property unless it is inventory or I receive your written permission to do so. If I sell the property I will have the payment made payable to the order of you and me.

I will pay all taxes and charges on the property as they become due. You have the right of reasonable access in order to inspect the property. I will immediately inform you of any loss or damage to the property.

I will pay you for any sums you advanced on my behalf, or to protect your interest in the property. I will pay you interest at the highest contract rate from the date you make payment until I pay you in full.

SECURED OBLIGATIONS - This agreement will not secure a debt recited in "Section 1. Security Interest and Collateral":

- 1) if you fail to make any disclosure of the existence of this security interest required by law for such other debt;
- 2) if this security interest is in my principal dwelling and you fail to provide (to all persons entitled) any notice of right of rescission required by law for such other debt;
- 3) to the extent that this security interest is in "household goods" and the other debt to be secured is a "consumer" loan (as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices);
- 4) if this security interest is in margin stock subject to the requirements of 12 C.F.R. Section 207 or 221 and you do not obtain a statement of purpose if required under these regulations with respect to that debt; or
- 5) if this security interest is unenforceable by law with respect to that debt.

This security agreement remains in effect, even if the note is paid and I owe no other debt to you, until discharged in writing. For the sole purpose of determining the extent of a purchase money security interest arising under this security agreement: (a) payments on any non-purchase money loan also secured by this agreement will not be deemed to apply to the purchase money loan, and (b) payments on the purchase money loan will be deemed to apply first to the non-purchase money portion of the loan, if any, and then to the purchase money obligations in the order in which the items of collateral were acquired. No security interest will be terminated by application of this formula. "Purchase money loan" means any loan the proceeds of which, in whole or in part, are used to acquire any collateral securing the loan and all extensions, renewals, consolidations and refinancings of such loan.

INSURANCE - I agree to buy insurance on the property against the risk and for the amount you require. I will have the insurance company name you as loss payee on any such policy. You may require added security if you agree that insurance proceeds may be used to repair or replace the property. I will buy insurance from a firm licensed to do business in the state where you are located. The firm will be reasonably acceptable to you. The insurance will last until the property is released from this agreement. If I fail to buy or maintain the insurance (or fail to name you as loss payee) you may purchase it yourself. I will pay for the insurance when you ask me to, plus interest at the highest contract rate until paid in full.

MISCELLANEOUS - I understand you may take the following actions involving this agreement:

- 1) you may notify any account debtor of your interest in this property and tell the account debtor to make the payments to you or someone else you name, rather than me;
- 2) you may place on any chattel paper a note indicating your interest in the property;
- 3) you may, in my name, demand, collect, receive and give a receipt for, compromise, settle, and handle any suits or other proceedings involving the collateral;
- 4) take any action you feel is necessary in order to realize on the collateral, including performing any part of a contract or endorsing it in my name, and
- 5) you may make an entry on my books and records showing the existence of the security agreement.

If this agreement includes accounts, I will not settle any account for less than its full value without your written permission.

I will collect all accounts until you tell me otherwise. I will keep the proceeds from all the accounts and any goods which are returned to me or which I take back in trust for you. I will not mix them with any other property of mine. I will deliver them to you at your request. If you ask me to pay you the full price on any returned items or items retaken by myself, I will do so.

If this agreement covers inventory, I will not dispose of it except in my ordinary course of business at the fair market value for the property, or at a minimum price established between you and me.

If this agreement covers farm products I will provide you a written list of the buyers, commission merchants or selling agents to or through whom I may sell my farm products. In this paragraph the terms farm products, buyers, commission merchants and selling agents have the meanings given to them in the Federal Food Security Act of 1985.

DEFAULT - Except when otherwise provided by law, I will be in default if any one or more of the following occur:

- 1) I fail to make a payment on time or in the amount due;
- 2) I fail to keep the property insured, if required;
- 3) I fail to keep any other promise I have made in connection with this agreement;
- 4) I fail to pay, or keep any other promise, on any debt or agreement I have with you;
- 5) any other creditor of mine attempts to collect any debt I owe him through court proceedings;
- 6) I die, am declared incompetent, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due);
- 7) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided;
- 8) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you.

REMEDIES - If, with respect to my default, a right to cure is required by law, you may exercise your remedies only if you have provided to me a notice of my default and right to cure (unless such a notice is not required by law) and I have failed to cure my default within the time provided by law. Subject to the above limitations and the limitations of Iowa Code Chapter 654A, if I am in default on this agreement, you have the following remedies:

- 1) You may demand immediate payment of all I owe you under any obligation secured by this agreement.
- 2) You may set-off any obligation I have to you against any right I have to the payment of money from you.
- 3) You may demand more security or new parties obligated to pay any debt I owe you as a condition of giving up any other remedy.
- 4) You may make use of any remedy you have under state or federal law.
- 5) If I default by failing to pay taxes or other charges, you may pay them (but you are not required to do so). If you do, I will repay to you the amount you paid plus interest at the highest contract rate.
- 6) You may require me to gather the property and make it available to you in a reasonable fashion.
- 7) You may repossess the property and sell it as provided by law. You may repossess the property so long as the repossession does not involve a breach of the peace or an illegal entry onto my property. You may sell the property as provided by law. You may apply what you receive from the sale of the property to: your expenses; your reasonable attorneys' fees and legal expenses (where not prohibited by law); any debt I owe you. If what you receive from the sale of the property does not satisfy the debts, you may take me to court to recover the difference (where permitted by law).

I agree that 10 days written notice sent to my address listed on the front side by first class mail will be reasonable notice to me under the Uniform Commercial Code.

If any items not otherwise subject to this agreement are contained in the property when you take possession, you may hold these items for me at my risk and you will not be liable for taking possession of them.

- 8) In some cases, you may keep the property to satisfy the debt. You may enter upon and take possession of all or any part of my property, so long as you do not breach the peace or illegally enter onto the property, including lands, plants, buildings, machinery, and equipment as may be necessary to permit you to manufacture, produce, process, store or sell or complete the manufacture, production, processing, storing or sale of any of the property and to use and operate the property for the length of time you feel is necessary to protect your interest, all without payment or compensation to me.

By choosing any one or more of these remedies, you do not waive your right to later use any other remedy. You do not waive a default if you choose not to use any remedy, and, by electing not to use any remedy, you do not waive your right to later consider the event a default and to immediately use any remedies if it continues or occurs again.

FILING - A carbon, photographic or other reproduction of this security agreement or the financing statement covering the property described in this agreement may be used as a financing statement where allowed by law. Where permitted by law, you may file a financing statement which does not contain my signature, covering the property secured by this agreement.

CO-MAKERS - If more than one of us has signed this agreement, we are all obligated equally under the agreement. You may sue any one of us or any of us together if this agreement is violated. You do not have to tell me if any term of the agreement has not been carried out. You may release any co-signer and I will still be obligated under this agreement. You may release any of the security and I will still be obligated under this agreement. Waiver by you of any of your rights will not affect my duties under this agreement. Extending this agreement or new obligations under this agreement, will not affect my duty under the agreement.