

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

lgitomer@bjllp.com

September 27, 2001

RECORDATION NO. 22706-F FILED

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

SEP 27 '01 11-59 AM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Release of Security Agreement, a secondary document, dated as of May 27, 2001. The primary document to which this is connected is recorded under Recordation No. 22706. We request that one copy of this document be recorded under Recordation No. 22706-E.

The name and address of the party to the Partial Release of Security Agreement is:

Secured Party:

The Chase Manhattan Bank
270 Park Avenue
New York, NY 10017

A description of the equipment covered by the Partial Release of Security Agreement consists cars shown as numbered in the attached document.

A fee of \$28.00 is enclosed. Please return one original to:

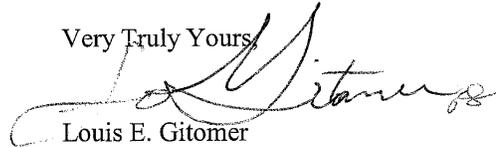
Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

BALL JANIK LLP

Honorable Vernon A. Williams
September , 2001
Page 2

A short summary of the document to appear in the index follows: a Partial Release of Security Agreement by The Chase Manhattan Bank, 270 Park Avenue, New York, NY 10017, covering cars shown as numbered in the attached document.

Very Truly Yours,

A handwritten signature in cursive script, appearing to read "L. Gitomer", written in black ink.

Louis E. Gitomer

Enclosures

NOW, THEREFORE, in consideration of the foregoing, the Collateral Agent does hereby forever and absolutely remise, convey and release all of its right, title and interest in, to and under the following property:

The following are all KCS boxcars, type: 50'6", 70 ton, cushioned boxcars equipped with 10' sliding door built in 1978 (KCS 753009-754790 series)

750000	750433	750859	751308	751782	752215	752657
750018	750441	750867	751324	751791	752223	752665
750026	750450	750875	751332	751804	752231	752673
750034	750468	750883	751341	751812	752240	752681
750042	750476	750905	751367	751821	752258	752690
750051	750484	750921	751375	751839	752266	752703
750069	750492	750930	751383	751847	752274	752711
750077	750506	750948	751405	751855	752282	752720
750085	750514	750956	751430	751871	752291	752738
750107	750522	750964	751448	751880	752304	752754
750115	750531	750972	751456	751898	752312	752762
750123	750549	750981	751464	751901	752321	752771
750131	750565	750999	751472	751910	752339	752789
750140	750573	751014	751481	751928	752347	752797
750158	750581	751022	751499	751936	752355	752801
750166	750590	751031	751502	751944	752363	752819
750174	750603	751049	751511	751952	752371	752827
750182	750611	751057	751529	751961	752398	752835
750204	750620	751065	751537	751979	752401	752843
750212	750638	751073	751545	751987	752410	752851
750221	750646	751081	751561	751995	752428	752860
750239	750654	751090	751570	752002	752436	752878
750247	750662	751103	751588	752011	752444	752886
750255	750671	751111	751596	752029	752452	752894
750263	750689	751120	751600	752037	752461	752908
750271	750697	751138	751618	752045	752479	752916
750280	750701	751146	751626	752053	752487	752924
750298	750719	751154	751634	752061	752495	752932
750301	750727	751162	751642	752070	752509	752941
750310	750735	751171	751651	752088	752517	752959
750328	750743	751189	751669	752096	752525	752967
750336	750751	751197	751677	752100	752541	752975
750344	750760	751201	751685	752126	752550	752983
750352	750778	751219	751693	752134	752568	
750361	750786	751227	751715	752142	752576	
750379	750794	751235	751723	752151	752584	
750387	750808	751243	751731	752169	752592	
750395	750816	751251	751740	752177	752606	
750409	750824	751260	751758	752185	752614	
750417	750832	751278	751766	752193	752622	
750425	750841	751294	751774	752207	752631	

RECORDATION NO. 22706-F FILED

SEP 27 '01 11-59 AM

SURFACE TRANSPORTATION BOARD

The following are all KCS boxcars, type: 50'6", 70 ton, rigid boxcars equipped with 10' sliding door built in 1977-78 (KCS 750000-752983 series)

753009	753441	753891	754323	754765
753017	753459	753904	754331	754773
753025	753467	753912	754340	754781
753033	753475	753921	754358	
753041	753483	753939	754366	
753050	753491	753947	754374	
753068	753505	753955	754382	
753076	753513	753963	754391	
753084	753521	753971	754404	
753092	753530	753980	754412	
753106	753548	753998	754421	
753114	753556	754005	754447	
753122	753564	754013	754455	
753131	753572	754021	754463	
753149	753581	754030	754471	
753157	753599	754048	754480	
753165	753602	754056	754498	
753173	753611	754064	754501	
753181	753629	754072	754510	
753203	753637	754099	754528	
753211	753645	754102	754536	
753220	753653	754111	754544	
753238	753661	754129	754552	
753246	753670	754137	754561	
753254	753688	754145	754579	
753262	753696	754153	754587	
753271	753700	754161	754595	
753289	753718	754170	754609	
753297	753726	754188	754625	
753301	753734	754196	754633	
753319	753742	754200	754641	
753327	753751	754218	754650	
753335	753793	754226	754676	
753343	753807	754234	754684	
753360	753815	754242	754692	
753378	753823	754251	754706	
753386	753831	754269	754714	
753394	753840	754277	754722	
753416	753858	754293	754731	
753424	753874	754307	754749	
753432	753882	754315	754757	

PARTIAL RELEASE
OF
SECURITY AGREEMENT
September 27, 2001

RECORDATION NO. 22706-F FILED
SEP 27 '01 11:59 AM
SURFACE TRANSPORTATION BOARD

This Partial Release of Security Agreement ("Release"), dated as of the 24th of May, 2001, is made by THE CHASE MANHATTAN BANK, ("Chase"), as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties (as defined in the Credit Agreement referred to below), on behalf of KANSAS CITY SOUTHERN INDUSTRIES, INC., a Delaware corporation ("Holdings"), THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation (the "Borrower"), GATEWAY EASTERN RAILWAY COMPANY, an Illinois corporation ("Grantor"), GATEWAY WESTERN RAILWAY COMPANY, an Illinois corporation ("Grantor") (said Grantors collectively, together with each other Subsidiary of Holdings listed on Schedule 1 to the Security Agreement referred to below or subsequently becoming a party to such agreement, the "Subsidiary Grantors"; Holdings, the Borrower and the Subsidiary Grantors being referred to collectively as the "Grantors").

WHEREAS, the Grantors and the Collateral Agent have entered into a certain Security Agreement, dated as of January 11, 2000 (the "Security Agreement"), which is related to (a) the Credit Agreement dated as of January 11, 2000 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Holdings, the Borrower, the lenders from time to time party thereto (the "Lenders") and Chase, as administrative agent (in such capacity, the "Administrative Agent"), collateral agent (in such capacity, the "Collateral Agent") and issuing bank (in such capacity, the "Issuing Bank"), and (b) the Guarantee Agreement and the other Loan Documents referred to in the Credit Agreement. (Unless the context otherwise requires, all capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Security Agreement or in the Credit Agreement.); and

WHEREAS, the Security Agreement was recorded at the Surface Transportation Board on January 13, 2000 at 4:05 p.m. under Recordation Number 22706: and

WHEREAS, under the Security Agreement, each Grantor mortgages and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "Security Interest") in, all such Grantor's right, title and interest in, to and under the Collateral; and

WHEREAS, the Borrower, in a transaction that is not prohibited by the Credit Agreement, desires to sell certain railroad cars that are part of the Collateral, and the Collateral Agent, pursuant to Section 9.14 of the Credit Agreement, desires to grant a release from the Security Interest as to such railroad cars.

NOW, THEREFORE, in consideration of the foregoing, the Collateral Agent does hereby forever and absolutely remise, convey and release all of its right, title and interest in, to and under the following property:

The following are all KCS boxcars, type: 50'6", 70 ton, cushioned boxcars equipped with 10' sliding door built in 1978 (KCS 753009-754790 series)

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753378	753823	754251	754706	
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753394	753840	754277	754722	
753416	753858	754293	754731	
753424	753874	754307	754749	
753432	753882	754315	754757	

IN WITNESS WHEREOF, each of the undersigned pursuant to due corporate authority has caused this Partial Release of Security Agreement to be executed in its respective corporate name by an officer duly authorized, and hereby declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that this is a true and correct document and was executed as of the date herein first set forth above.

THE CHASE MANHATTAN BANK

By: 
Name: *Robert A. Krasnow*
Title: *Vice President*

CORPORATE FORM OF ACKNOWLEDGMENT

State of Illinois)
County of Cook) SS:

On this 17th day of August, 2001, before me personally appeared Robert Krasnow to me personally known, who being by me duly sworn, says that he/she is the Vice President of THE CHASE MANHATTAN BANK, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Deborah K. Welles
Signature of Notary Public

My commission expires 3/10/02

Seal

