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January 4, 2007

RECORDATION NO. 26760 FILED

JAN 05 '07

2-11 PM

VIA OVERNIGHT DELIVERY

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one executed original and two photostatic copies of the Memorandum of Collateral and Security Agreement, dated as of December 29, 2006 (the "Memorandum") between King Louie International, Inc. and Pleasant Hill Mfg. Co., as Secured Party, and Michael Lerner, as Debtor, which Memorandum is a primary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum are:

Secured Party: King Louie International, Inc. and
Pleasant Hill Mfg. Co.
8200 West 100th Terrace
Overland Park, KS 66212

Debtor: Michael Lerner
6600 College Boulevard, Suite 310
Overland Park, KS 66211

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 to the Memorandum.

Also enclosed is a check in the amount of \$34.00, payable to the order of the Surface Transportation Board covering the required recordation fee.

CC 1765940v2

Change Your Expectations.™

Mr. Vernon A. Williams
January 4, 2007
Page 2

Kindly return two stamped photostatic copies of the Memorandum and a stamped photostatic copy of this letter to Steve Graham at Lathrop & Gage L.C., 2345 Grand Boulevard, Suite 2300, Kansas City, Missouri 64108.

Following is a short summary of the enclosed document:

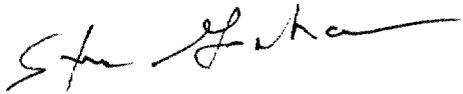
Primary Document to be Recorded

Memorandum of Collateral and Security Agreement, dated as of December 29, 2006, between King Louie International, Inc. and Pleasant Hill Mfg. Co., as Secured Party, and Michael Lerner, as Debtor, and covering the railroad equipment set forth in Schedule 1 to the enclosed Memorandum.

Sincerely,

LATHROP & GAGE L.C.

By:



H. Steven Graham

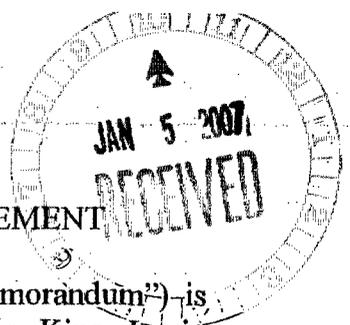
HSG:eb

Enclosures

cc: Michael Lerner

JAN 05 '07

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**SURFACE TRANSPORTATION BOARD
MEMORANDUM OF COLLATERAL AND SECURITY AGREEMENT**

This Memorandum of Collateral and Security Agreement ("Memorandum") is made and entered into as of December 29, 2006, by and between King Louie International, Inc. and Pleasant Hill Mfg. Co. (hereinafter collectively referred to as "Secured Party") and Michael Lerner (hereinafter referred to as "Debtor").

Pursuant to the Collateral and Security Agreement dated as of December 29, 2006, and subject to the terms and conditions therein set forth, Secured Party has agreed to accept and Debtor has agreed to offer, the railcars identified on Schedule I hereto (the "Railcars") as collateral for the Guaranty dated as of June 1, 2006 and confirmed on December 29, 2006 (the "Guaranty").

The Collateral and Security Agreement provides that Secured Party have a security interest in the Railcars for all purposes until Secured Party's receipt of full payment of the amounts set forth in the Guaranty.

As security for the payment and fulfillment of its obligations to Secured Party under the Guaranty, Debtor granted to Secured Party a security interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, which Debtor might exercise with respect thereto but for the execution of the Collateral and Security Agreement.

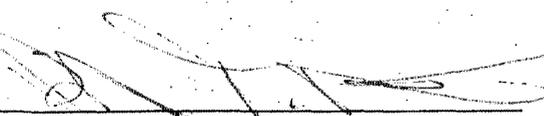
As contemplated by the parties, Secured Party and Debtor hereby make this Memorandum of Assignment of Collateral And Security Agreement to perfect Secured Party's security interest in the Railcars. Secured Party and Debtor further acknowledge and confirm that this Memorandum is not a summary of the Collateral and Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum and the provisions of the Collateral and Security Agreement, the provisions of the Collateral and Security Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum to be duly executed in its corporate by its officers, thereunto duly authorized, all as of the date first above written.

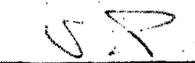
SECURED PARTY:

KING LOUIE INTERNATIONAL, INC.,
a Kansas Corporation

PLEASANT HILL MFG. CO.
a Missouri Corporation

BY 

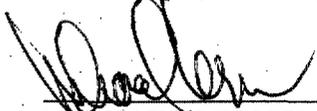
BY 

ITS 

ITS 

DEBTOR:

MICHAEL LERNER

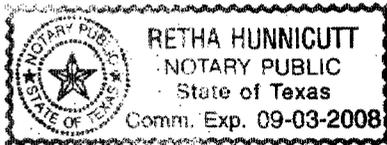


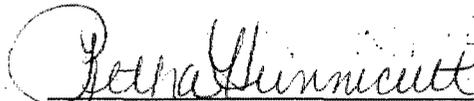
MICHAEL LERNER

Texas)
~~STATE OF KANSAS~~)
Midland)
COUNTY OF JOHNSON)

Be it remembered that on this 3rd day of ~~December~~, ^{January} 2006, before me, a notary public in and for the county and state aforesaid, came Richard T. McMillan, Vice President of King Louie International, Inc., a Kansas Corporation, who is known to me to be the same person who executed the within instrument of writing as such officer of such company, and such person duly acknowledged the execution of the same to be his own free and voluntary act and the free and voluntary act and deed of said company.

In my testimony whereof, I have hereunto set my hand and affixed my notary seal the day and year first above written.

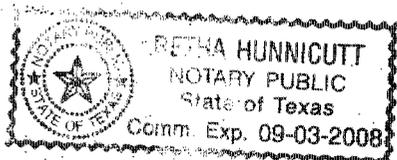


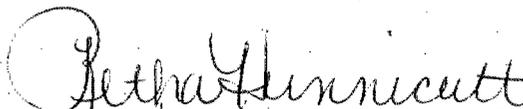

Notary Public

Texas)
STATE OF ~~KANSAS~~)
Midland)
COUNTY OF JOHNSON)

Be it remembered that on this 2nd day of ~~December~~, ^{January} 2006, before me, a notary public in and for the county and state aforesaid, came Richard T. McMillan, Vice President of Pleasant Hill Mfg. Co., a Missouri Corporation, who is known to me to be the same person who executed the within instrument of writing as such officer of such company, and such person duly acknowledged the execution of the same to be his own free and voluntary act and the free and voluntary act and deed of said company.

In my testimony whereof, I have hereunto set my hand and affixed my notary seal the day and year first above written.

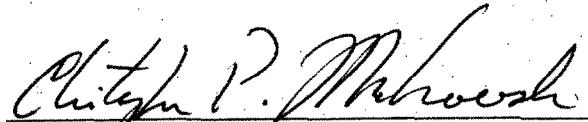


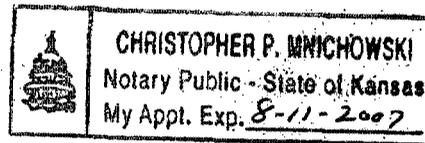

Notary Public

STATE OF KANSAS)
)
COUNTY OF JOHNSON)

Be it remembered that on this 29th day of December, 2006, before me, a notary public in and for the county and state aforesaid, came Michael Lerner, an individual, who is known to me to be the same person who executed the within instrument of writing, and such person duly acknowledged the execution of the same to be his own free and voluntary act.

In my testimony whereof, I have hereunto set my hand and affixed my notary seal the day and year first above written.


Notary Public



SCHEDULE 1
TO MEMORANDUM OF COLLATERAL AND SECURITY AGREEMENT

<u>Description</u>	<u>Marks</u>	<u>Initial</u>	<u>Value</u>
Gondolas	ZCAX	89158	20,000
Gondolas	ZCAX	89159	20,000
Gondolas	ZCAX	89160	20,000
Gondolas	ZCAX	89161	20,000
Gondolas	ZCAX	89162	20,000
Gondolas	ZCAX	89163	20,000
Gondolas	ZCAX	89164	20,000
Gondolas	ZCAX	89165	20,000
Gondolas	ZCAX	89166	20,000
Gondolas	ZCAX	89167	20,000
Gondolas	ZCAX	89168	20,000
Gondolas	ZCAX	89169	20,000
Gondolas	ZCAX	89170	20,000
Gondolas	ZCAX	89172	20,000
Gondolas	ZCAX	89173	20,000
Gondolas	ZCAX	89174	20,000
Gondolas	ZCAX	89175	20,000
Gondolas	ZCAX	89176	20,000
Gondolas	ZCAX	89177	20,000
Gondolas	ZCAX	89178	20,000
Gondolas	ZCAX	89179	20,000
Gondolas	ZCAX	89180	20,000
Gondolas	ZCAX	89181	20,000
Gondolas	ZCAX	89182	20,000
Gondolas	ZCAX	89183	20,000
Gondolas	ZCAX	91201	20,000
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Gondolas	ZCAX	91204	20,000
Gondolas	ZCAX	91205	20,000
Gondolas	ZCAX	91207	20,000
Gondolas	ZCAX	91208	20,000
Gondolas	ZCAX	91209	20,000
Gondolas	ZCAX	91210	20,000
Gondolas	ZCAX	91211	20,000
Gondolas	ZCAX	91212	20,000
Gondolas	ZCAX	91213	20,000
Gondolas	ZCAX	91214	20,000
Gondolas	ZCAX	91215	20,000
Gondolas	ZCAX	91216	20,000
Gondolas	ZCAX	91217	20,000
Gondolas	ZCAX	91218	20,000
Gondolas	ZCAX	91219	20,000
Gondolas	ZCAX	91220	20,000
Gondolas	ZCAX	91221	20,000