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March 30, 2010

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



RECORDATION NO. 29241 FILED

APR 15 '10 -4 00 PM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

I have enclosed two (2) originals of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Security Agreement, a primary document, dated February 26, 2010.

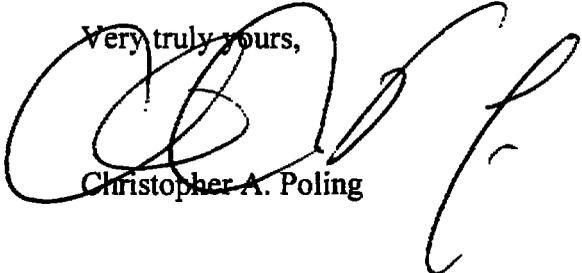
A description of the equipment covered by the document follows: 1971 rebuilt General Motors Locomotive model GP10 No. MAW-16; together with all accessions thereto or for use in connection therewith, and the proceeds thereof.

A fee of \$41.00 is enclosed. Please return one original to:

Christopher A. Poling, Esquire
Lewis & Kappes, P.C.
One American Square
Suite 2500
Indianapolis, IN 46282

A short summary of the document to appear in the index follows: a security interest in a 1971 rebuilt General Motors Locomotive model GP10 No. MAW-16; together with all accessions thereto or for use in connection therewith, and the proceeds thereof.

Very truly yours,


Christopher A. Poling

Enclosures

APR 15 '10 -4 00 PM

SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Security Agreement, dated effective as of February 26, 2010 (the "*Effective Date*"), is executed by **Maumee & Western Railroad Corporation**, an Indiana corporation (the "*Debtor*"), 300 East Walnut Street, Corydon, Ohio 47112, for the benefit of the **Ohio Rail Development Commission** (the "*Secured Party*"), 1980 West Broad Street, 2nd Floor, Columbus, OH 43223.

Section 1. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor does hereby grant to the Secured Party a security interest in the following described property and any and all accessions thereto and the proceeds thereof of the following locomotive (the "*Collateral*"):

1971 rebuilt General Motors Locomotive model GP10 No. MAW-16

to secure payment of aggregate indebtedness of \$90,000.00 (the "*Indebtedness*"), as provided in the Loan Agreement, dated as of the Effective Date, between the Debtor and the Secured Party (the "*Loan Agreement*"), and the Cognovit Promissory Note, dated as of the Effective Date, executed by the Debtor in favor of the Secured Party (collectively, together with the Loan Agreement, the "*Loan Documents*"), and also any and all liabilities now existing or hereafter arising, absolute or contingent, due or to become due under or pursuant to the Loan Documents, including all costs and expenses incurred in the collection of the Indebtedness and all future advances made by the Secured Party for taxes levied, insurance, and repairs to or maintenance of the Collateral.

Section 2. Advances by the Secured Party. At its option, the Secured Party may (a) discharge taxes, liens, or other encumbrances at any time levied or placed on the Collateral, (b) pay for insurance on the Collateral, and (c) pay for the maintenance and preservation of the Collateral should the Debtor fail to do so. The Debtor agrees to reimburse the Secured Party on demand for any payment so made and, until such reimbursement, the amount so paid by the Secured Party shall be added to the principal amount of the Indebtedness.

Section 3. Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party as follows:

- (a) the Debtor has good and valid rights in or the power to transfer the Collateral and title to the Collateral, free and clear of any liens, security interests; or other encumbrances, except for the security interest granted to the Secured Party under this Agreement and has full power and authority to grant to the Secured Party the security interest in such Collateral pursuant to this Agreement;
- (b) the name in which the Debtor has executed this Agreement is the exact name as it appears in the Debtor's Articles of Incorporation, as filed with the Secretary of State of the State of Ohio;
- (c) no financing statement or security agreement describing all or any portion of the Collateral and naming the Debtor as debtor has been filed or is of record in any jurisdiction; and

- (d) the Collateral is or is to be used by the Debtor primarily for business purposes.

Section 4. Covenants and Agreements of the Debtor. From the Effective Date and thereafter until this Agreement is terminated, the Debtor agrees as follows:

- (a) **Collateral Records.** The Debtor will maintain complete and accurate books and records with respect to the Collateral and will furnish to the Secured Party such reports relating to the Collateral as the Secured Party may from time to time reasonably request.
- (b) **Financing Statements.** The Debtor shall file all financing statements and other documents (including, but not limited to, assignments thereof and amendments thereto) and to take such other actions as may from time to time be reasonably requested by the Secured Party in order to maintain a first perfected security interest in the Collateral. Any financing statement or other document filed by the Debtor (i) may be filed in any filing office in any jurisdiction, (ii) may indicate the Collateral by any description that reasonably approximates the description contained in this Agreement, and (iii) may contain any other information required by Article 9 of the Uniform Commercial Code as adopted in the State of Ohio (the "UCC") for the sufficiency or filing-office acceptance of any financing statement or amendment. The Debtor also agrees to furnish any such information to the Secured Party promptly upon request.
- (c) **Other Financing Statements.** Except as provided in Section 3(b) of this Agreement, the Debtor will not authorize the filing of any financing statement naming it as debtor and covering all or any portion of the Collateral. The Debtor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Secured Party, subject to the Debtor's rights under UCC § 9-509(d)(2).
- (d) **Liens.** The Debtor will not create, incur, or suffer to exist any lien, security interest, or other encumbrance on the Collateral, except for the security interest created by this Agreement.
- (f) **Disposition of Collateral.** The Debtor will not, without first obtaining the prior written consent of the Secured Party, sell, lease, or otherwise dispose of the Collateral.
- (g) **Change of Name or Location.** The Debtor will not (i) change its name as it appears in official filings in the office of the Secretary of State of the State of Ohio, (ii) change its chief executive office, principal place of business, mailing address, or the location of its records concerning the Collateral from 300 East Walnut Street, Corydon, Indiana 47112, (iii) change the type of entity that it is, (iv) change its organization identification number issued by the State of Ohio, or (v) change its state of incorporation, in each case unless the Secured Party shall have received at least

thirty (30) days prior written notice of any such change and either (x) the Secured Party shall have acknowledged in writing that such change will not adversely affect the validity, perfection, or priority of the Secured Party's security interest in the Collateral, or (y) the Debtor shall have taken any reasonable action requested by the Secured Party in connection therewith to continue the perfection of any liens or security interests in favor of the Secured Party in any Collateral, *provided, however*, that any new location shall, in any event be in the continental United States.

- (h) Maintenance of Collateral; Insurance. The Debtor will maintain the Collateral in good condition and repair; will maintain insurance on the Collateral against fire, theft, and such other hazards and in such form and amount as the Secured Party may require and for the benefit of the Debtor and the Secured Party as their interest shall appear; and will pay and discharge all taxes imposed on the Collateral. The Debtor assigns to the Secured Party all right to proceeds of any insurance not exceeding the unpaid balance hereunder, and directs any insurer to pay all proceeds directly to the Secured Party and authorizes the Secured Party to indorse any draft for the proceeds. Copies of such policy or policies shall be delivered to the Secured Party and shall be with a company or companies satisfactory to the Secured Party.
- (i) Further Assurances. The Debtor will, if so requested by the Secured Party, furnish to the Secured Party, as often as the Secured Party reasonably requests, statements and schedules further identifying and describing the Collateral and such other reports and information in connection with the Collateral as the Secured Party may reasonably request. The Debtor also agrees to take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Secured Party in the Collateral and the priority thereof against any lien, security interest, or other encumbrance.
- (j) Compliance with Terms. The Debtor will perform and comply with all obligations in respect of the Collateral and all agreements to which it is a party or by which it is bound relating to the Collateral.

Section 5. Default. The occurrence of an "Event of Default" (as such term is defined in the Loan Agreement) shall constitute an "*Event of Default*" for purposes of this Agreement. Upon the occurrence of an Event of Default, the Secured Party may, at its election, declare the entire amount of the Indebtedness then outstanding due and payable at once, and the Secured Party shall have the rights and remedies of a secured party under the UCC, including the right to enter any premises of the Debtor, without legal process, and to take possession of and to remove the Collateral. The Debtor agrees, upon request of the Secured Party, to assemble the Collateral, and to make it available at the place reasonably designated by the Secured Party. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is mailed to the address of the Debtor shown in this Agreement at least ten (10) business days before the time of such disposition.

Section 6. Waiver. No waiver by the Secured Party will be effective unless it is in writing and then only to the extent specifically stated. No failure on the part of the Secured Party to

exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, or remedy by the Secured Party preclude any other or further exercise thereof or the exercise of any other right, power, or remedy.

Section 7. Notices. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been duly given if given in accordance with Section 6.2 of the Loan Agreement.

Section 8. Severability. Whenever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but, if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. In case any lien, security interest, or other right of any party to this Agreement shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality, and/or unenforceability shall not affect any other lien, security interest, or other right granted hereby.

Section 9. Governing Law. This Agreement shall be deemed to be made under and shall be governed by the laws of the State of Ohio in all respects, notwithstanding the place where this Agreement may be executed or performed by either party.

Section 10. Amendments. No modification or amendment of this Agreement shall be binding on either party unless in writing and signed by both the Debtor and the Secured Party.

Section 11. Binding Effect; Assignment. This Agreement (including the Exhibits hereto, which are hereby incorporated in this Agreement by reference), and the terms, covenants, and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto, the holders of any instruments evidencing the Indebtedness, and their respective successors and assigns, except that the Debtor shall not be permitted to assign this Agreement, or any interest herein or in the Collateral, or any of its rights or obligations under this Agreement, without the prior written consent of the Secured Party. For the purpose of this Agreement, the term "*Debtor*" shall mean the Debtor named in this Agreement, any subsequent owner of the Collateral, and their respective legal representatives, successors, and assigns. If there is more than one Debtor, all of their undertakings under this Agreement shall be deemed joint and several. The term "*Secured Party*" shall mean the owner and holder of the Note, whether or not named as the Secured Party in this Agreement.

Section 12. Captions. The captions or headings at the beginning of each section of this Agreement are merely guides or labels for the convenience of the parties to assist in identifying those sections, are not intended to be a part of the context of this Agreement, and shall not be deemed to modify, to explain, to enlarge, or to restrict any of the provisions hereof.

Section 13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

DEBTOR:

**MAUMEE & WESTERN RAILROAD
CORPORATION**

By: Spencer Wendelin
Spencer Wendelin, President

I, Christopher A. Poling, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this pleading.
Executed on 3-30-10

A handwritten signature in black ink, appearing to read "C.A. Poling", with a stylized flourish at the end.