



9177

RECORDATION NO. Filed & Recorded

JAN 12 1978 -II 15 AM

INTERSTATE COMMERCE COMMISSION

January 6, 1978

Ms. Mildred Lee
Secretary of the Interstate
Commerce Commission
Room 1227A
Washington, DC 20423

Dear Ms. Lee:

Enclosed are an original Security Agreement with two certified true copies of the Security Agreement evidencing a contractual commitment between Surface Transportation International, Inc., 1006 Grand, Kansas City, Missouri and Empire Bank & Trust Company, Broadway at 9th, Kansas City, Missouri, covering five rebuilt ballast cars as indicated in the Security Agreement.

Please record this lien on behalf of Empire Bank & Trust Company with Surface Transportation International, Inc. as the debtor and return the original Security Agreement to my attention in the enclosed envelope.

Sincerely,

MICHAEL V. BERLAU
Senior Vice President

MVB/bj

Enclosures

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CERTIFICATION UNIT

Interstate Commerce Commission
Washington, D.C. 20423

1/12/78

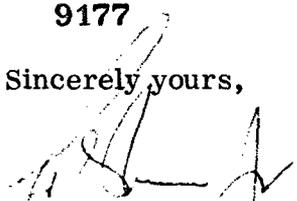
OFFICE OF THE SECRETARY

Michael V. Berlau
Senior Vice Pres.
Empire Bank & Trust
Broadway at 9th
Kansas City, Missouri 64105

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 1/12/78 at 11:15am and assigned recordation number(s) 9177

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

Bank pursuant to the foregoing authorization and such payment or expense shall be secured by and under this agreement, and shall bear interest at the highest legal rate, or if Debtor is a corporation, at the highest rate in effect with respect to any obligation of Debtor to Bank.

(j) If any of the Collateral is or becomes subject to the Federal Assignment of Claims Act, Debtor will execute all instruments and take all steps required by Bank to comply with said Act.

(k) If any of the Collateral should be evidenced by promissory note, trade acceptances, or other instruments for the payment of money, Debtor will immediately deliver the same to Bank appropriately endorsed to Bank's order, and regardless of the form of such endorsement, Debtor hereby waives presentment and all other notices with respect thereto.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any one or more of the following events:

(a) Default in the payment or performance of any obligation (including any installment payment), covenant or liability (including any installment of any liability) of the Debtor contained or referred to herein, or secured hereby, or of any endorser, guarantor or surety for any liability of the Debtor to Bank.

(b) Any warranty, representation or statement made or furnished to Bank by or on behalf of the Debtor for the purpose of obtaining credit or an extension of credit proves to have been false in any material respect when made or furnished.

(c) Loss, theft, damage, destruction, or the danger of misuse or confiscation of the Collateral in the opinion of Bank, or sale or encumbrance to or of any of the Collateral (other than sale of inventory held for sale and then only to a buyer in the ordinary course of the Debtor's business), or the making of any levy, seizure or attachment thereof or thereon or the issuance of an injunction with respect to the use or sale thereof.

(d) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Debtor or any endorser, guarantor or surety for Debtor.

BANK SHALL HAVE THE FOLLOWING RIGHTS AND REMEDIES:

(a) Bank shall have the right to notify account and contract debtors obligated on any or all of the Collateral to make payment thereof directly to Bank, and Bank may take control of all proceeds of any of the Collateral, which rights Bank may exercise at any time whether or not Debtor is then in default. Until such time as Bank elects to exercise such rights, Debtor is authorized, as agent of Bank, to collect and enforce all such contracts and accounts. The cost of such collection and enforcement, including attorney fees and expenses, shall be borne by Debtor whether the same is incurred by Bank or Debtor.

(b) Upon the occurrence of any of the above events of default and at any time thereafter (such default not having previously been cured), Bank shall have, in addition to all other rights and remedies, the remedies of a secured party under the Uniform Commercial Code. Bank may, at its option, require Debtor to assemble the Collateral and make it available to Bank at a place, to be designated by Bank, which is reasonably convenient to both parties, or in the event Debtor fails or refuses to so assemble the Collateral, Bank shall have the right, and Debtor does hereby authorize and empower Bank to enter upon the premises wherever the Collateral may be in order to remove the same. Unless the Collateral is perishable or threatens to decline speedily in value or is of the type customarily sold on a recognized market, Bank will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the Debtor set forth at the beginning of this agreement at least five days prior to the date of the sale or disposition.

(c) Bank may at any time in its sole discretion transfer any securities or other property constituting Collateral into its own name or that of its nominee and receive the income therefrom and hold the same as security for liabilities of Debtor to it or apply the Collateral on principal and interest due on such liabilities.

(d) Insofar as the Collateral shall consist of accounts receivable, insurance policies, instruments, chattel paper, things in action or the like, Bank may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon the Collateral as the Bank may determine, whether or not liabilities of Debtor hereunder are then due, and for the further purpose of realizing Bank's rights therein, Bank may receive, open and dispose of mail addressed to Debtor and endorse notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage or any form of the Collateral on behalf of and in the name of Debtor.

(e) Upon the occurrence of any event of default under this agreement, or if Bank deems itself insecure, Bank may at its option declare immediately due and payable all obligations secured hereby regardless whether such obligations are by their terms due or contain any provision for acceleration.

(f) Debtor agrees that in the event of default hereunder, Debtor shall pay in addition to the amount of the principal and interest on all obligations secured hereby, a reasonable attorneys' fee of not less than 15% of the amount due on all obligations secured hereby when they are placed with an attorney for collection, and the proceeds of the sale or other disposition of the Collateral shall be first applied to such fees.

It is specifically understood and agreed that Bank shall have no duty as to collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof. No waiver by Bank of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights and remedies of Bank whether or not granted hereunder shall be cumulative and may be exercised singularly or concurrently. All rights of Bank hereunder shall inure to the benefit of its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several. Any demand upon or notice to Debtor shall be effective if deposited in the mails addressed to Debtor at the address shown at the beginning of this agreement, or if the Debtor has notified Bank in writing of a change of address, to Debtor's last address of which notification has been received. Either Bank or Debtor may terminate this agreement at any time upon at least five days' prior written notice to the other party of such termination, provided, however, that such termination shall in no way affect any transactions entered into or rights created or obligations incurred prior to the receipt of such notice by the other party, as to which transactions, rights and obligations this agreement shall be fully operative until the same are fully disposed of, concluded or liquidated.

This agreement shall become effective when signed by Debtor.

Signed in two (2) counterparts and delivered on the day and year first above written.

EMPIRE BANK and TRUST

SURFACE TRANSPORTATION INTERNATIONAL, INC.

By [Signature]

Debtor

Title _____

By [Signature]
Attest: _____

