

MATTHEW J. KASTANTIN

ATTORNEY AT LAW
17 WEST JEFFERSON STREET
ROCKVILLE, MARYLAND 20850

(301) 424-9010

RECEIVED
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I. C. C.
FEE OPERATION BR.

0473
AUG 1 1976 9 22 AM
INTERSTATE COMMERCE COMMISSION

August 12, 1976

Date AUG 16 1976
Fee \$ 50
ICC Washington, D. C.

Secretary to Interstate Commerce Commission
Constitution and Twelfth Street, N.W.
Washington, D.C.

Re: Security Agreement Filing

Dear Sir:

I am presenting to you an original and two counter-
parts of the Security Agreement dated December 30, 1975 be-
tween various debtors listed and Railfund '75 Joint Venture.

The names and addresses of the parties to the trans-
action are as follows:

Debtors - On Schedule A attached.
Secured Party - Railfund '75 Joint Venture
17 West Jefferson Street
Rockville, Maryland 20850

The equipment covered by this document are 50 foot,
70 ton xf boxcars numbered VC 9050, VC 9051, VC 9052, VC 9053
and VC 9054.

If there is any further information necessary, please
contact my office.

Sincerely


Matthew J. Kastantin
Attorney for Railfund '75 Joint Venture

MJK/jmc

Enclosures

INTERSTATE
COMMERCE COMMISSION
AUG 16 1976
WASHINGTON, D.C.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

8/18/76

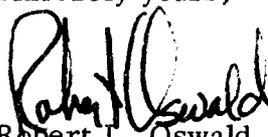
Matthew J. Kastantin, Atty.
Railfund '75 Joint Venture
17 West Jefferson Street
Rockville, Maryland 20850

Dear

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,

47 U.S.C. 20(c), on 8/16/76 at 9:20am
and assigned recordation number(s) 8443

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

RECORDATION NO. 8443 Filed 1425

DEC 15 1978 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

STATEMENT OF NEW NUMBERS

This Statement of New Numbers, amends the Security Agreement, securing Railfund '75 Joint Venture filed on August 16, 1976 with the Interstate Commerce Commission, which Security Agreement was given Recordation No. 8443.

The Serial Numbers for the Collateral described in the aforesaid Security Agreement have been changed and the new serial numbers are as stated on Schedule A, which is attached hercto and made a part hereof by this reference.

Except as otherwise expressly stated herein, the terms and conditions of the aforesaid Security Agreement shall be inaffected hereby, and have full force and effect against the Debtor.

IN WITNESS WHEREOF, the attorney-in-fact for Debtor has caused this Statement of New Numbers to be executed as of the day and year first above written.

By *M. J. Kastantin*
Attorney-in-Fact

STATE OF MARYLAND, MONTGOMERY COUNTY, To Wit:

I HEREBY CERTIFY, that on 12th day of December, 1978, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Matthew J. Kastantin and he acknowledged the foregoing Agreement to be his act and deed as attorney-in-fact for all debtors and secured party named therein.

AS WITNESS my hand and Notarial Seal.

MY COMMISSION EXPIRES:

7-1-82

Jean M. Canterbury
Notary Public

SCHEDULE A

RAILFUND '75 JOINT VENTURE

<u>Purchaser of Freight Cars</u>	<u>No. of Cars Financed By Railfund</u>	<u>Serial No. of Purchased Car</u>	<u>New Serial No. of Purchased Car</u>
Mark S. Rothman Sandra Rothman 5530 Wisconsin Avenue Chevy Chase, Maryland 20015	1	VC 9052	HCRC 9052
Stephen H. Paley Maralyn Paley 5530 Wisconsin Avenue Chevy Chase, Maryland 20015	1	VC 9053	HCRC 9053
Ivan J. Shefferman Selma Mae Shefferman 5530 Wisconsin Avenue Chevy Chase, Maryland	1	VC 9051	HCRC 9051
R. W. Beavers Peggy Beavers 801 Leverton Road Rockville, Maryland	1	VC 9054	HCRC 9054

RECORDATION NO. *8443A*

Filed 1425

DEC 15 1978 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

KASTANTIN & D'ERASMO

ATTORNEYS AT LAW

17 WEST JEFFERSON STREET

ROCKVILLE, MARYLAND 20850

MAILING ADDRESS: P. O. BOX 431

8-3491062

Date DEC 15 1978

Fee \$ 10⁰⁰

ICC Washington, D. C.

(301) 279-0800

JOSEPH J. D'ERASMO
MATTHEW J. KASTANTIN

December 12, 1978

Dec 15 12 25 PM '78
RECORDATION DIV.

Interstate Commerce Commission
Constitution Ave. & 12th Street, N.W.
Washington, D.C. 20423

Attention: Mildred Lee, Room 122F

Re: Security Agreement
Recordation No. 8443
Railfund '75 Joint Venture
Filed: August 16, 1976

Dear Ms. Lee:

I enclose herein an original statement of New Numbers, two copies and our check in the amount of \$10. Please file, record and return the statement to me at your earliest convenience.

Thanking you for your assistance herein,
I remain,

Sincerely,



Matthew J. Kastantin

MJK/jmc

Enclosure

0413
AUG 1 1975 10 20 AM
FEDERAL RESERVE SYSTEM
SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") dated as of December 30, 1975, from Debtors listed on Schedule Attached (the "Debtor"), to RAILFUND '75 JOINT VENTURE (the "Secured Party") having its principal office at 17 W. Jefferson Street, Rockville, Maryland, 20850.

RECITALS:

A. The Secured Party and the Debtors have entered into Promissory Notes dated December 30, 1975 providing for the Secured Party to make three loans in the amount of Twenty-Seven Thousand (\$27,000) Dollars with interest at the rate of Twelve (12%) Percent per annum and one loan in the amount of Twenty-Two Thousand Five Hundred Ten (\$22,510) Dollars with similar interest to be repaid in equal quarterly installments of One Thousand One Hundred Sixty-eight Dollars and Two Cents (\$1,168.02) or Nine Hundred Seventy-three Dollars and Fifty-eight Cents (\$973.58) respectively. Each Promissory Note states that if interest on the principal sum for the first three month period, Eight Hundred Ten (\$810.00) Dollars or Six Hundred Seventy-five (\$675.00) Dollars, is paid upon the signing of said notes, then the first installment of principal and interest shall be due six (6) months after signing of the note with each installment thereafter to be paid quarterly as provided above. Further, the Debtor will pay the Secured Party Ten (10%) Percent of excess gross revenue over and above Six Thousand Eight Hundred (\$6,800.00) Dollars per unit per year that is received by the Debtor from the railroad car as set forth in this Security Agreement.

B. The Notes and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes or this Security Agreement are hereinafter sometimes referred to as "indebtedness hereby secured"; and

C. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY

The Debtor in consideration of the premises and of the sum of Ten (\$10.00) Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and

in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all other covenants and conditions in the Notes and in this Security Agreement contained, does hereby convey, warrant, mortgage, assign, pledge, and grant the Secured Party, its successors and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

Section 1.1. Equipment Collateral. Collateral includes the equipment described in Schedule A attached hereto and made a part hereof (hereinafter referred to collectively as the "Equipment" and individually as "Item of Equipment").

Section 1.2. Other Collateral. Collateral also includes the Lease, if any, and all rents and other sums due and to become due thereunder including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment (excluding all Daily Interim Rental); it being the intent and purpose thereof that the assignment and transfer to the Secured Party of said rents and other sums due and to become due under the Lease shall be effective and operative immediately and shall continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 4 hereof at all times during the period from and after the date of this Security Agreement until the indebtedness hereby secured has been fully paid and discharged.

Section 1.3. Limitations to Security Interest. The security interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee under the Lease, and (b) the lien of current taxes and assessments not in default, or, if delinquent, the validity of which is being contested in good faith.

Section 1.4. Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise to remain in full force and effect.

SECTION 2. COVENANTS AND WARRANTIES OF THE TRUST.

The Debtor covenants, warrants and agrees as follows:

Section 2.1. Debtor's Duties. The Debtor covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Security Agreement and Note, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein.

Section 2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Debtor (excepting only the right, title and interest of the Lessee under the Lease and of persons claiming by, through or under the Lessee).

Section 2.3. Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease the Debtor covenants and agrees that it will notify the Lessee of such assignment pursuant to the Lease and direct the Lessee to make all payments of such rents and other sums due and to become due under the Lease directly to the Secured Party or as the Secured Party may direct.

Section 2.4. Substituted Collateral. Any and all property described or referred to in the granting clause hereof may be substituted as collateral for the promissory note dated _____, 197____ only with the written permission of the Secured Party.

Section 2.5. Recordation and Filing. The Debtor will cause this Security Agreement and all supplements hereto, the Lease and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of each supplemental

Security Agreement an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the security interest intended to be created hereby.

Section 2.6. Modifications of the Lease. The Debtor will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Lease (except as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment except that this restriction shall not apply to the initial installment of Periodic Rent under the Lease; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

Section 2.7. Power of Attorney in respect of the Lease.

Debtor does hereby irrevocably constitute and appoint the Secured Party, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Section 1.1 and Section 1.2 hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby. The Secured Party shall defend, indemnify and save harmless the Debtor, its successors, agents and assigns from and against any claim, cause or action, damage, liability, cost or

expense (including attorneys' fees and costs in connection therewith) incurred as a result of any action taken by the Secured Party under this Section 2.7 which is wrongful or which exceeds the power and authorities herein granted.

SECTION 3. POSSESSION AND USE OF PROPERTY.

Section 3.1. Possession of Collateral. While the Debtor is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided, always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease shall not constitute a violation of this Section 3.1.

SECTION 4. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

Section 4.1. Application of Rents. As more fully set forth in Section 1.2 hereof the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no event of default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Secured Party which constitute payment of Periodic Rent payable with respect to the Equipment under the Lease shall be applied first, to the payment of the installments of interest only or principal and interest on the Notes which have matured or will mature on or before the due date of the installments of Periodic Rent payable with respect to the Equipment which are received by the Secured Party, and then the balance, if any, of such amounts shall promptly be paid to or upon the order of the Debtor; and

(b) The amounts from time to time received by the Secured Party which constitute settlement by the Lessee of the "Casualty Value" or the "Termination Value" for any Item of Equipment pursuant to the Lease shall be paid and applied on the Notes, all to such manner and in such amounts so that after giving effect to such application and the release of the Item of Equipment from the Lease and the lien of this Security Agreement:

- (i) The aggregate principal amount remaining unpaid on the Notes does not exceed the "Present Value of Rents" as hereinafter defined in respect of all other Equipment which then remains subject to the Lease and the security interest of this Security Agreement; and
- (ii) Each of the remaining installments of the Notes shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment.

Any amounts in excess of the "Present Value of Rents" as hereinafter defined in respect of any Item of Equipment for which settlement is made by the Lessee pursuant to the Lease shall be released to or upon the order of the Debtor, within thirty (30) days of the receipt thereof.

Section 4.2. Multiple Notes. If more than one Note is outstanding at the time any application is made pursuant to Section 4.1, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively, in the manner provided for by paragraphs (a) and (b) of Section 4.1.

Section 4.3. Default. If an event of default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Section 1.2 hereof shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral.

SECTION 5. DEFAULTS AND OTHER PROVISIONS.

Section 5.1. Events of Default. The term "event of default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment, by acceleration or otherwise, and any such default shall continue unremedied for three (3) calendar days (provided, however, that the Debtor shall not be entitled to any such three day grace period with respect to any such default occurring after such grace period has been exercised with respect to eight such payments); or

(b) An event of default as set forth in the Lease; or

(c) Default on the part of the Debtor or the Agent in the due observance of performance of any covenant or agreement to be observed or performed by it under this Security Agreement or the Note and such default shall continue unremedied for thirty (30) calendar days; or

(d) Any representation or warranty made herein or in the Note or in any report, certificate, financial or other statement furnished in connection with this Security Agreement, the Lease or the Note, or the transactions contemplated thereby shall prove to be false or misleading in any material respect; or

(e) Any claim, lien or charge (other than the Lease and liens, charges and encumbrances which the Lessee is obligated to discharge under the Lease) shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within

thirty (30) calendar days after the written notice from the Secured Party or the holder of any Note to the Debtor and the Lessee demanding the discharge or removal thereof.

Section 5.2. Secured Party's Rights. Debtor agrees that when any "event of default" as defined in Section 5.1 hereof has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of Article 95B of the Annotated Code of Maryland (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may, by notice in writing to the Debtor declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable.

(b) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process or law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold.

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale of registered mail to the Debtor once at least ten (10) days prior to the date of such sale, and any other

notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(d) The Secured Party may proceed to protect and enforce this Security Agreement and said Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the mortgaged property or any part thereof, or, subject to the provisions of Section 6 hereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper legal or equitable remedy available under applicable law;

(e) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to exercise all rights, privileges and remedies of the Lessor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

Section 5.3. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also, in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

Section 5.4. Waiver by Debtor. The Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

Section 5.5. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

Section 5.6. Application of Sale Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied in the following order:

First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Note, and of all taxes, assessments or liens superior to the lien or these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

Second, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for interest;

Third, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal;

Fourth, to the payment or the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 5.7. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party and the holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

Section 5.8. Cumulative Remedies. No delay or omission of the Secured Party or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of any Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waiver or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 6. MISCELLANEOUS.

Section 6.1. Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, premises and agreements in this Security Agreement contained by or on behalf of the

Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

Section 6.2. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 6.2 shall be construed to be in derogation of any rights or immunities of the Debtor in its individual capacity or to amend or modify any limitations or restrictions of the Secured Party or the holder or any Note or their respective successors or assigns.

Section 6.3. Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions thereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to the Debtor:	See attached schedule.
with a copy of such notice to be sent to Counsel:	Matthew J. Kastantin 17 W. Jefferson Street Rockville, Maryland 20850
If to the Secured Party:	Railfund '75 Joint Venture 17 W. Jefferson Street Rockville, Maryland 20850

or as to the Debtor or the Secured Party at such other address as the Debtor or the Secured Party may designate by notice duly given in accordance with the Section to the other party.

Section 6.4. Release. The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

Section 6.5. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

Section 6.6. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

Section 6.7. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws or the State of Maryland; provided, however, that the Secured Party shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

Section 6.8. Effective Date. This Security Agreement is dated as of _____ for convenience of identification and has been executed by the Debtor on the date shown in the acknowledgement attached hereto, but is delivered by the Debtor to the Secured Party and becomes effective on the date of purchase of the railroad car by the Debtor and the advancement of funds by the Secured Party for the said railroad car.

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed, all as of the day and year first above written.

R. W. Beavers
BY: Peggy M. Beavers
DEBTOR

STATE OF MARYLAND, MONTGOMERY COUNTY, To Wit:

I HEREBY CERTIFY, that on 10th day of June 1976, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared ^{R. W. Beavers} BEFORE ME ^{Peggy M. Beavers} and ~~he~~ ^{THEY} acknowledged the foregoing Agreement to be ~~his~~ ^{THEIR} act and deed.

AS WITNESS my hand and Notarial Seal.

MY COMMISSION EXPIRES:

July 1, 1978

L. Vallance
Notary Public

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed, all as of the day and year first above written.

BY: *Maralyn Paley*
DEBTOR

STATE OF MARYLAND, MONTGOMERY COUNTY, To Wit:

I HEREBY CERTIFY, that on *27th* day of *July* 1976, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared *Maralyn Paley and Stephen H. Paley* and he acknowledged the foregoing Agreement to be his act and deed.

AS WITNESS my hand and Notarial Seal.

MY COMMISSION EXPIRES:

July 1, 1978

Dean A. Fox
Notary Public

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed, all as of the day and year first above written.

Selma Mae Shefferman
BY: *Ivan J. Shefferman*
DEBTOR

STATE OF MARYLAND, MONTGOMERY COUNTY, To Wit:

I HEREBY CERTIFY, that on *27th* day of *July* *1976*, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared *Selma Mae Shefferman and Ivan J. Shefferman* and he acknowledged the foregoing Agreement to be his act and deed.

AS WITNESS my hand and Notarial Seal.

MY COMMISSION EXPIRES:

July 1, 1978

Diane C. Fox
Notary Public

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed, all as of the day and year first above written.

Sandra Rothman
BY: *[Signature]*
DEBTOR

STATE OF MARYLAND, MONTGOMERY COUNTY, To Wit:

I HEREBY CERTIFY, that on *27th* day of *July* *1976*, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared *Sandra Rothman and Mark* and he acknowledged the foregoing Agreement to be his act and deed. *Rothman*

AS WITNESS my hand and Notarial Seal.

MY COMMISSION EXPIRES:

July 1, 1978

Diane A. Fox
Notary Public

DEBTOR

Schedule

<u>DEBTOR</u>	<u>AMOUNT</u>
Mark S. Rothman Sandra Rothman 5530 Wisconsin Avenue Chevy Chase, Maryland 20015	\$27,000.00
Stephen H. Paley Maralyn Paley 5530 Wisconsin Avenue Chevy Chase, Maryland 20015	\$27,000.00
Ivan J. Shefferman Selma Mae Shefferman 5530 Wisconsin Avenue Chevy Chase, Maryland 20015	\$27,000.00
R. W. Beavers Peggy M. Beavers 801 Leverton Road Rockville, Maryland 20852	\$22,510.00