

REGISTRATION NO. 12253

SEP 30 1980 - 8 42 PM

INTERSTATE COMMERCE COMMISSION

maryland national bank

3503990

96 HARRY S. TRUMAN DRIVE
UPPER MARLBORO, MARYLAND 20870

Ms. Agatha Mergenovich
Interstate Commerce Commission
12th & Constitution Avenues, N.W.
Room 1227
Washington, D. C. 20423

No. 71A161
Date SEP 30 1980
Fee \$ 50.00
ICC Washington, D. C.

Dear Ms. Mergenovich:

I transmit for filing pursuant to Section 11303 of Title 49 of the United States Code original and executed counterparts of the following document:

Security Agreement between Maryland National Bank, as Secured Party, and Thomas M. Dinsmore, the Debtor, covering one truck covered hopper railcar one hundred ton bearing RRRX No. 1205.

The address for Thomas M. Dinsmore, (as Owner and Debtor) is: 7 Durban Court, Lutherville, Maryland 21093. The Address for the Secured Party is: 96 Harry S. Truman Drive, Upper Marlboro, Maryland 20870. Our check is enclosed to cover the filing fee in the amount of \$50.00. Please return the original to Maryland National Bank, 96 Harry S. Truman Drive, Upper Marlboro, Maryland 20870, Attention: Richard J. Morgan, with the recording certification data stamped thereon to the attention of the undersigned at the address specified above.

Very truly yours,



Richard J. Morgan
Vice President

SEP 30 1980
10 00 AM

Interstate Commerce Commission
Washington, D.C. 20423

9/30/80

OFFICE OF THE SECRETARY

Richard J. Morgan
Vice President
Maryland National Bank
96 Harry S. Truman Drive

Upper Marlboro, Maryland 20870

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **9/30/80** at **3:10pm**, and assigned recordation number(s) **12253**.

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)



maryland national
bank

96 HARRY S. TRUMAN DRIVE
UPPER MARLBORO, MARYLAND 20870

Ms. Agatha Mergenovich
Interstate Commerce Commission
12th & Constitution Avenues, N.W.
Room 1227
Washington, D. C. 20423

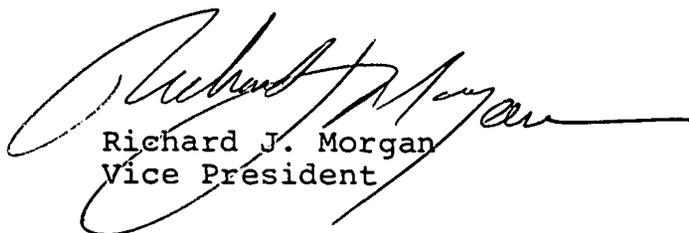
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Very truly yours,


Richard J. Morgan
Vice President

350 4505

SECURITY AGREEMENT

SEP 30 1980 - 3 20 PM

THIS SECURITY AGREEMENT is between THOMAS M. DINSMORE, a Maryland resident (the Debtor), and MARYLAND NATIONAL BANK, a national banking association (the Secured Party).

INTERSTATE COMMERCE COMMISSION

RECITALS

The Debtor has issued and delivered to the Secured Party that certain promissory note, a copy of which is annexed hereto as Exhibit A (the "Note") dated as of the date hereof. The parties have agreed that payment of the Note shall be secured as provided herein.

Section 1. GRANT OF SECURITY

The Debtor, intending to be legally bound hereby, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Note according to its tenor and effect, and to secure the performance, payment and observance of all covenants and conditions in the Note and in this Security Agreement (all of the foregoing being collectively referred to herein as the "Indebtedness") does hereby convey, mortgage, pledge, assign and grant to 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 Section 1.1 and 1.2 hereof, and all proceeds thereof, subject always to the exceptions, reservations and limitations contained in Section 1.5 hereof (all of which properties, rights, interests and privileges hereby mortgaged, assigned, pledged, and in which a security interest is granted or intended so to be, are hereinafter collectively referred to as the "Collateral").

1.1 Equipment Collateral. Collateral includes the one hundred ton (100-ton) truck covered hopper railcar, Identifying mark RRRX 1 2 0 5, AAR mechanical designation "LO" (the "Boxcar"), constituting the equipment managed pursuant to that certain Management Agreement (the "Management Agreement"), a copy of which is annexed hereto as Exhibit B, between the Debtor and Rex Leasing, Inc., a New Jersey corporation ("Rex") together with all accessories, equipment, accessions and parts, whether now owned or hereafter acquired appertaining or attached to the Boxcar, and all substitutions, renewals or replacements of, and additions, improvements, accessions and accumulations to, said Boxcar together with all the proceeds, rents, issues, income, profits and avails therefrom.

1.2 Management Agreement Collateral. Collateral also includes all right, title, interest, claims and demands (but none of the obligations) of the Debtor in, to and under the Management Agreement, together with all rights, power, privileges, options and other benefits of the Debtor under the Management Agreement, including, without limitation, but subject always to the exceptions, reservations and limitations contained in Section 1.6 hereof:

(1) all revenues, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Debtor under the Management Agreement or pursuant thereto, together with the immediate and continuing right to receive and collect same;

(2) the right to make all waivers and agreements and to give and receive duplicate copies of all notices and other instruments or communications; and

(3) the right to take such action upon the occurrence of an Event of Default under the Management Agreement or an event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under the Management Agreement, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Management Agreement or by law, and to do any and all other things whatsoever which the Debtor or its successors and assigns is or may be entitled to do under the Management Agreement;

it being the intent and purpose hereof that subject always to the exceptions, reservations and limitations contained in Section 1.6 hereof, the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits 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 revenues, insurance proceeds, condemnation awards and other payments 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 has been fully paid and discharged.

1.3 Limitations to Security Interest. The security interest granted by this Section 1 is subject to the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, the validity of which is being contested in good faith and by appropriate legal or administrative proceedings and the nonpayment thereof does not, in the reasonable opinion of the Secured Party, adversely affect the properties, rights, interest and privileges of the Secured Party in or to the Boxcar or otherwise under this Security Agreement.

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, 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.

1.5 Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Security Agreement the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the Excepted Rights in Collateral) and nothing herein or in any agreement contained shall constitute an assignment of the Excepted Rights in Collateral to the Secured Party:

(a) all payments of any indemnity under the Management Agreement which by the terms of said Agreement are payable to the Debtor for its own account;

(b) all rights of the Debtor respectively, under the Management Agreement to demand, collect, sue for or otherwise obtain all amounts from Rex due the Debtor on account of any such indemnities or payments due pursuant to the Management Agreement;

(c) any insurance proceeds payable under general public liability policies maintained by Rex pursuant to the Management

Agreement which by the terms of such policies or the terms of the Management Agreement are payable directly to the Debtor for its own account:

provided, nevertheless, that the Excepted Rights in Collateral shall at no time include any of the payments of indemnity, other amounts or insurance proceeds described in Sections 1.5(a), (b) or (c) hereof which shall arise after exercise by the Secured Party of any of its rights, privileges or remedies described in Section 5.2(e) of this Agreement.

Section 2. COVENANTS AND WARRANTIES OF THE DEBTOR

The Debtor covenants, warrants and agrees as follows:

2.1 Warranty of Title. The Debtor has the full ownership of, and the complete right, power and authority to grant a first security interest in the Collateral to the Secured Party for the uses and purposes herein set forth, as contemplated hereby; and the Debtor will warrant and defend the title to the Collateral against all claims and demands of all persons whatsoever except persons claiming by, through or under the Secured Party. The Debtor agrees to pay or discharge any and all claims, liens, charges or security interest claimed by any person (other than by, through or under the Secured Party), equal or superior to the Secured Party's security interest in the Collateral, or prohibited by Section 2.4 hereof which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Collateral, but the Debtor shall not be required to discharge such claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Secured Party, adversely affect the security interest of the Secured Party in or to the Collateral or any portion thereof.

2.2 Further Assurances. The Debtor will, at no expense to the Secured Party, 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 revenues and other sums due and to become due under the Management Agreement, the Debtor covenants and agrees that it will cause Rex to be notified of such assignment and direct Rex, upon written notice by the Secured Party, to make all payments of such revenues and other sums due and to become due under the Management Agreement, other than the Excepted Rights in Collateral, as the Secured Party may direct.

2.3 Recordation and Filing. The Debtor at its expense will cause this Security Agreement and any supplements hereto, the Management Agreement and any supplements thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303 and will cause all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party in such manner and such places as may be requested by the Secured Party 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 any supplemental security agreements 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 recording so as to make

effective of record the security interest intended to be created hereby.

2.4 Modification of the Management Agreement. The Debtor will not without the written consent of the Secured Party:

(a) declare a default or exercise the remedies of the Debtor under, or terminate or modify or accept a surrender of, or offer to agree to, any termination or modification or surrender of, the Management Agreement 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 rights created by the Management Agreement or any part thereof;

(b) receive or collect or permit the receipt or collection of any payment under the Management Agreement prior to the date for payment thereof provided for by the Management Agreement or assign, transfer or hypothecate (other than to the Secured Party hereunder) any payment then due or to accrue in the future under the Management Agreement in respect of the Boxcar; or

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

(d) fail to enter into a new management agreement in form and substance reasonably satisfactory to the Secured Party upon the expiration or termination of the Management Agreement, until payment in full of the indebtedness hereby secured.

2.5 Power of Attorney in Respect of this Management Agreement. Upon the occurrence of an Event of Default hereunder and upon the occurrence of any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default hereunder, the Debtor does hereby irrevocably constitute and appoint the Secured Party his true and lawful attorney with full power or substitution for him and in his name, place and stead to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all revenues, income and other sums which are assigned under Sections 1.1 and 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 revenues, income and other sums and the security intended to be afforded hereby.

Section 3. POSSESSION, USE AND RELEASE OF PROPERTY

3.1 Possession of Collateral. So long as the Debtor is not in default hereunder he shall be suffered and permitted to remain in full possession, enjoyment and control of the Boxcar 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 Boxcar shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the management of the Boxcar by Rex under and subject to the Management Agreement shall not constitute a violation of this Section 3.1.

3.2 Release of Property. So long as no default under the Management Agreement has occurred, the Secured Party shall execute a release of the Boxcar in the event it is sold, lost or destroyed upon receipt from Rex of written notice that the Management Agreement will terminate and payment in full to the Secured Party of the outstanding principal and interest under the Note and all other indebtedness due and owing hereunder.

Section 4. APPLICATION OF ASSIGNED REVENUES AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY

4.1 Application of Revenue Payments. So long as no Event of Default (as defined in Section 5.1 hereof) shall have occurred and be continuing, the amounts from time to time received by the Secured Party which constitute payment of amounts due Debtor under the Management Agreement shall be applied: first, to the payment of the installments of interest, or of principal and interest (in each case first to interest and then to principal), on the installments of the Note which have matured or will mature on or before the due date of the next payment which is to be received by the Secured Party (including, without limitation, the final payment of interest on the Note); second, the balance, if any, shall be paid to or upon the order of the Debtor.

4.2 Application of Casualty Payments. So long as no Event of Default hereunder shall have occurred and be continuing and no event shall have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute such an Event of Default, the amounts received from time to time received by the Secured Party which constitute payment for a Casualty Occurrence (defined as the loss, theft or destruction or, in the opinion of Rex damage beyond repair to the Boxcar or the requisitioning or taking thereof by any governmental authority under the power of eminent domain or otherwise, other than such requisitioning or taking for a stated period which does not exceed the then remaining term of the Management Agreement) for the Boxcar shall be paid and applied as follows:

First, to the accrued and unpaid interest on the Note; second, to the outstanding principal balance of the Note; and third, the balance, if any, of such amounts held by the Secured Party shall be released promptly to or upon the order of the Debtor.

4.3 Application of Casualty Insurance Proceeds. So long as to the knowledge of the Secured Party no Event of Default hereunder shall have occurred and be continuing and no event shall have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute such an Event of Default, the amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by Rex or the Debtor in respect of the Boxcar shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(a) The proceeds of such insurance shall, if the Boxcar is to be repaired, be released to the Debtor to reimburse Rex for expenditures made for such repair upon receipt by the Secured Party of a certificate signed by the President or any other duly authorized officer of Rex setting forth the repairs effected, the cost of repairing, restoring or replacing the Boxcar and stating that the restoration, replacement or repair parts have become immediately subject to all of the terms and conditions of the Management Agreement and that all public filings, recordings and registrations necessary or expedient to vest title thereto in the

Debtor have been accomplished (which certificate shall be accompanied by satisfactory evidence of such cost and of the completion of such repair, restoration or replacement).

(b) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (a) within 180 days from the receipt thereof by the Secured Party, or if within such period Rex shall have notified the Secured Party in writing that the Management Agreement in respect to the Boxcar is to be terminated in accordance with the provisions thereof, then the insurance proceeds shall be applied by the Secured Party as provided for by Section 4.2 hereof.

4.4 Default. If an Event of Default shall have occurred and be continuing, all amounts received by the Secured Party pursuant to Section 1.2 or this Section 4 shall be applied in the manner provided for in Section 5 hereof in respect of proceeds and avails of the Collateral.

Section 5. DEFAULTS AND OTHER PROVISIONS

5.1 Events of Default. The term Event of Default shall mean one or more of the following:

(a) Default in payment of any installment of the principal of, or interest on, the Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for twenty days after written notice thereof; or

(b) An Event of Default, as defined and set forth in the Management Agreement; provided, however that if such Event of Default shall result from any action or inaction on the part of Rex or occur with respect thereto, it shall not constitute an Event of Default if within 60 days after debtor learns of the occurrence thereof the Event of Default has been cured or Debtor has entered into an alternative management arrangement acceptable to the Secured Party; or

(c) Default on the part of the Debtor in the due observance or performance of any covenant or agreement to be observed or performed by the Debtor under this Security Agreement and such default shall continue unremedied for 30 days after written notice from the Secured Party to the Debtor specifying the default and demanding the same to be remedied; or

(d) Any representation or warranty on the part of the Debtor made herein or in any report, certificate, financial or other statement furnished in connection with this Security Agreement, the Management Agreement or the transactions contemplated herein or therein, shall prove to be false or misleading in any material respect when made; or

(e) Any claim, lien or charge (other than those permitted under Section 1.3 hereinabove or created pursuant to Section 6 hereinafter) shall be asserted against or levied or imposed upon the Boxcar and such claim, lien or charge shall not be discharged or removed within thirty calendar days after written notice from the Secured Party or the holder of the Note to the Debtor demanding the discharge or removal thereof; or

(f) Failure on the part of the Debtor to give notice to the Secured Party, within ten days of Debtor learning of any Event of Default or any event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default.

(g) An assignment by the Debtor for the benefit of creditors or admission in writing of the Debtor's inability to pay his or its debts generally as they become due;

(h) The Debtor shall (i) apply for or consent in writing to, the appointment of a receiver, trustee or liquidator of the Debtor or of the Property or of all or substantially all of the Debtor's other assets or (ii) file a voluntary petition in bankruptcy or admit in writing his inability to pay his debts as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) file a petition or an answer seeking an arrangement with creditors or take advantage of any insolvency law, or (v) file an answer admitting the material allegations of a petition filed against the Debtor in any bankruptcy or insolvency proceeding;

(i) An order, judgment or decree shall be entered without the application, approval or consent of the Debtor by any court of competent jurisdiction, approving or ordering relief under a petition seeking reorganization of the debts of the Debtor, or of all or substantially all of the assets of the Debtor or appointing a custodian, receiver or trustee of the Debtor (or a substantial part of the assets of the Debtor), and such order, judgment or decree shall continue unstayed and in effect for a period of thirty (30) days.

5.2 Secured Party's Rights. The Debtor agrees that when any Event of Default shall have 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 the State of Maryland (regardless of whether a Code or law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), and:

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

(b) 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 premises, with or without notice, demand, process of law or legal procedure, if this can be done without breach of peace, and search for, take possession of, remove, keep and store the Collateral, or, to the extent permitted by law, use and operate or lease the Collateral until sold;

(c) The Secured Party may, if at the time such action may be lawful (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 by registered mail to the Debtor once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Collateral, at public auction to the highest bidder, 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; provided, however, that any such sale should be held in a commercially reasonable manner. Any such sale may be adjourned from time to

time by announcement at the time and place appointed for such sale or for any such adjourned sale, or without further published notice, and the Secured Party or the holder of the Note, or of any interest therein, or the Debtor may bid and become the purchaser at any such sale;

(d) The Secured Party may proceed to protect and enforce this Security Agreement and the Note 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 Collateral 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; and

(e) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Management Agreement and any other contracts or agreements relating to the Boxcar 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.

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 Note, if not previously due, and the interest accrued and accruing thereon, to the extent permitted by law or rule of court, shall at once become and be immediately due and payable.

5.4 Waiver by Debtor. To the extent permitted by law, 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 a 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, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person 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 law or laws had been made or enacted.

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 and shall be a perpetual bar, both at law and in equity, against the Debtor, his personal representatives, heirs and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, his personal representatives, heirs or assigns.

5.6 Application of Sale Proceeds. The 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 as follows:

(a) 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 of the Note, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the holder of the Note of the amount then due, owing or unpaid on the Note for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Note, to be made, first to unpaid interest thereon, second to unpaid premium, if any, and third, to unpaid principal thereof; such application to be made upon presentation of the Note, and the notation thereof of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid;

(c) Third, to the payment of other Indebtedness secured hereby; and

(d) Fourth, to the payment of any surplus, if any, to the Debtor, his personal representatives, heirs and assigns, or to whomsoever may be lawfully entitled to receive the same.

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 holder of the Note 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.

5.8 Cumulative Remedies. No delay or omission of the Secured Party or of the holder of the 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. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy 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 now or hereafter at law or in equity; 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, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of the Note be required to first look to, enforce or exhaust such other or additional security, collateral or guarantees.

Section 6. TRANSFER OF DEBTOR'S INTEREST

The Debtor agrees that it will not sell or otherwise transfer its interest in the Boxcar or the Management Agreement, or any part thereof, without the prior written consent of the Secured Party.

Section 7. MISCELLANEOUS

7.1 Business Days. As used herein, the term "business days" means the calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in the State of Maryland are authorized or obligated to remain closed.

7.2 Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the personal representatives, heirs, successors and assigns of such party; and all the covenants, premises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party shall bind and insure to the benefit of the respective personal representatives, heirs successors and assigns of such parties whether so expressed or not.

7.3 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.

7.4 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 hereof in respect of any matter) when delivered personally or when deposited in the United States mail, certified first class, postage prepaid, addressed as follows:

If to the Debtor: 7 Durbane Court
 Lutherville, Maryland 21093 .

If to the Secured Party: 96 Harry S. Truman Drive
 Upper Marlboro, Maryland 20870
 Attn: Richard J. Morgan

or 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 this Section to the other party.

7.5 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 hereby secured has been fully paid or discharged.

7.6 Governing Law This Security Agreement and the Note shall be construed in accordance with and governed by the laws of the State of Maryland; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof, as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

7.8 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.

7.9 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 Security Agreement now shall they affect its meaning, construction or effect.

STATE OF *Maryland*
OF *Anne Arundel Co.* SS:

On this 4 day of September, 1980, before me personally appeared Richard J. Morgan, to me personally known, who, being by me duly sworn, says that he is Vice President of Maryland National 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 by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

Suzanne E. Hill
Notary Public

(SEAL)

My Commission Expires: *7/1/82*