The Citizens and Southern National Bank

Marietta and Broad, 99 Annex, Atlanta, Georgia 30399, Telephone 404 581-2121

8 207A061

39.00

July 18, 1988

RECORDATION NO. 15742 Filed 1425

Certified Mail/
Return Receipt Requested

JUL 25 1988-3 10 PM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Ladies/Gentlemen:

Enclosed are an original and two certified copies of three Security Agreements, dated as of July 18, 1988, for the benefit of The Citizens and Southern National Bank.

The names and addresses of the parties to the Security Agreements are as follows:

Grantor/Debtor:

Sandersville Railroad Company
200 Smith Street
Sandersville, Georgia 31082

Secured Party/Grantee:

The Citizens and Southern National Bank
35 Broad Street, N.W.
Atlanta, Georgia 30303

Parties providing additional security:

Mr. Ben J. Tarbutton, Jr.
261 Linton Road
Sandersville, Georgia 31082

Mr. Hugh M. Tarbutton
260 Linton Road
Sandersville, Georgia 31082

ICC OFFICE OF THE SECRETARY
JUL 25 3 10 PM '88
MOTOR OPERATING UNIT

The description of the equipment covered by the Security Agreements is contained on Exhibit A.

Enclosed is our check in the amount of $39.00, which we understand to be the appropriate filing fee for the three enclosed Security Agreements.

Please return the original of each Security Agreement to:

Mr. James R. Marietta
The Citizens and Southern National Bank
P. O. Box 4899
Atlanta, Georgia 30302-4899

Respectfully submitted,

THE CITIZENS AND SOUTHERN NATIONAL BANK

By: Susan J. Immel

Title: AVP

60171/km

EXHIBIT A

CARS OWNED BY SANDERSVILLE RAILROAD COMPANY:

146 TARX Series Covered Hopper Cars bearing "TARX" designation and numbers as follows:

301-316, 318-339
341-343, 345-350
400-422, 424-499

194 SAN Series Covered Hopper Cars bearing "SAN" designation and numbers as follows:

500-525, 527-533
535-547, 549-556
558-566, 568-599
600-671, 673-699

4 locomotives and 1 locomotive booster bearing "SAN" designation and numbers as follows:

Locomotive #100 EMD SW1500, Builder #33487
Locomotive #200 EMD SW1200, Builder #29888
Locomotive #300 EMD SW1500, Builder #36484
Locomotive #400 EMD SW1500, Builder #35827
Locomotive Booster Unit #90

CARS OWNED BY BEN J. TARBUTTON, JR.:

24 Hopper Cars bearing "SAN" designation and numbers as follows:

SAN 50050-50073

74 Boxcars bearing "SAN" designation and numbers as follows:

SAN 10000, 10002, 10003, 10004, 10008, 10009, 10010, 10011, 10012, 10013, 10015, 10016, 10018, 10020, 10021, 10022, 10023, 10024, 10026, 10027, 10028, 10030, 10031, 10033, 10034, 10036, 10037, 10038, 10040, 10041, 10042, 10043, 10046, 10047, 10048, 10049, 10050, 10051, 10055, 10056, 10057, 10058, 10059, 10061, 10062, 10063, 10064, 10065, 10066, 10067, 10069, 10070, 10071, 10072, 10074, 10075, 10076, 10077, 10078, 10079, 10080, 10081, 10082, 10083, 10084, 10086, 10087, 10088, 10089, 10090, 10092, 10094, 10096, 10099

CARS OWNED BY HUGH M. TARBUTTON:

25 Hopper Cars bearing "SAN" designation and numbers as follows:

SAN 50074-50098

75 Boxcars bearing "SAN" designation and numbers as follows:

SAN 13000, 13001, 13003, 13004, 13007, 13008, 13011, 13012, 13013, 13014, 13016, 13017, 13018, 13019, 13020, 13021, 13022, 13023, 13024, 13025, 13027, 13029, 13030, 13031, 13032, 13033, 13036, 13038, 13039, 13040, 13041, 13044, 13046, 13047, 13048, 13049, 13051, 13052, 13053, 13054, 13056, 13057, 13058, 13059, 13060, 13061, 13062, 13063, 13064, 13065, 13066, 13068, 13070, 13072, 13073, 13074, 13075, 13076, 13077, 13078, 13079, 13080, 13081, 13082, 13083, 13087, 13088, 13089, 13090, 13091, 13094, 13095, 13096, 13097, 13098

60171/km

RECORDATION NO. 15742 Filed 1425

JUL 25 1988 3 10 PM

INTERSTATE COMMERCE COMMISSION

ACKNOWLEDGMENT

STATE OF GEORGIA

COUNTY OF FULTON

I, the undersigned notary public, have compared a copy of the attached Security Agreement with the original thereof and have found the copy to be complete and identical in all respects to such original document.

Rebecca L. Smith

Notary Public

Notary Public, Cobb County, Georgia
My Commission Expires Dec. 9, 1990

1 5742

RECORDATION NO. _____ Filed 1989

JUL 25 1988 3 10 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS IS A SECURITY AGREEMENT (this "Agreement") made and entered into on July 18, 1988 by HUGH M. TARBUTTON ("Tarbutton") for the benefit of SANDERSVILLE RAILROAD COMPANY, a Georgia corporation (the "Debtor"), in favor of (and for the benefit of) THE CITIZENS AND SOUTHERN NATIONAL BANK, a Georgia corporation (the "Secured Party"), and by which Tarbutton, in consideration for the extension of credit by Secured Party to Debtor, hereby agrees as follows:

1. Obligations Secured. The security interest granted by this Agreement secures all obligations of the Debtor to the Secured Party arising under that certain Promissory Note from Debtor to Secured Party of even date herewith (the "Note"), all liabilities and obligations of the Debtor under that certain Security Agreement of even date herewith given to Secured Party, and all liabilities and obligations of Tarbutton under this Security Agreement (collectively the "Obligations").

2. Grant of Security. As additional security for payment and performance of the Obligations, Tarbutton hereby conveys, mortgages, pledges, assigns, transfers, sets over, grants and delivers to the Secured Party a continuing security interest in all of Tarbutton's right, title and interest in and to the railroad equipment described on Exhibit A hereto (such railroad equipment being hereinafter referred to collectively as "cars" and separately as "car"), together with all products and proceeds of any and all of the foregoing (collectively the "Collateral").

3. Representations and Warranties. Tarbutton represents and warrants as follows:

(a) This Agreement constitutes a legal, valid and binding obligation of Tarbutton enforceable against him in accordance with its terms except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles.

(b) There is no pending or, to the best of Tarbutton's knowledge, threatened action or proceeding affecting Tarbutton before any court, governmental agency or arbitrator, which may materially adversely affect the financial condition or operations of Tarbutton.

(c) All of the cars are based at Sandersville, Georgia.

(d) The principal place of business of Tarbutton is located in Sandersville, Washington County, Georgia.

(e) Tarbutton owns the Collateral free and clear of any lien, security interest or other adverse interest (except for the security interest created by this Agreement and except as may be set forth in Exhibit B to this Agreement); and except as may be set forth on said Exhibit B, no effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office (except such as may have been filed in favor of the Secured Party relating to this Agreement).

(f) Except as may be set forth on Exhibit B to this Agreement, this Agreement creates a valid first priority security interest in the Collateral, securing the payment of the Obligations.

4. Certain Agreements as to Collateral.

(a) Use and Maintenance. Tarbutton shall:

(i) so long as the Debtor shall not be in default under the Note, be entitled to the possession of the cars and the use thereof (including the right to lease the cars to, or to have the cars deployed on his behalf by, any railroad or shipper), but only upon and subject to all the terms and conditions of this Agreement.

(ii) cause the cars to be maintained in good order and repair, shall as quickly as practicable after the occurrence of any repairable loss or damage to any of the cars make or cause to be made all repairs or replacements necessary or desirable to such ends, and shall either (A) replace any cars lost or destroyed from any cause whatever during the continuance of this Agreement, or any parts thereof, with other cars or parts of similar type and of substantially as good materials or construction as that lost or destroyed, at his own cost, except as otherwise herein provided or hereafter agreed with Secured Party, or (B) promptly pay (or cause the Debtor to pay) the Secured Party a sum equal to $25,000 for each such car not replaced, which amount shall be treated as a prepayment of, and applied as provided in, the Note. Tarbutton will cause any such replacement cars to be marked as the cars so replaced or, if such is not possible or practical, execute an appropriate amendment to Exhibit A hereto containing the marking of such replacement car. Any and all such replacements of cars and of any parts shall constitute accessories to the cars and shall be subject to all of the terms and conditions of this Agreement as though part of the original cars covered hereunder, and included in the word "cars" as used in this Agreement.

(iii) promptly furnish to the Secured Party a statement respecting any material loss or damage to any of the cars; and

(iv) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including without limitation claims for labor, materials and supplies) against, the cars, except to the extent the validity thereof is being contested in good faith.

(b) Markings. Tarbutton agrees that he will not during the continuance of this Agreement change the road numbers of said cars unless and until 60 days written notice of any proposed change shall have been given by Tarbutton to the Secured Party.

Tarbutton will not allow the name of any person, association, or corporation other than the name of the Debtor or the name of the railroad company or shipper to which the cars are deployed or leased, or both, to be placed on the cars or any replacements thereof, as a designation that might be interpreted as a claim of ownership thereof; but Tarbutton may letter such cars with the name, initials or other insignia, customarily used by the Debtor or by such railroad company or shipper, or both, on its cars of the same or similar character for convenience of identification of such person's right to use such cars.

(c) Furnishing of Information. Tarbutton hereby agrees, upon request of the Secured Party, to furnish to the Secured Party an accurate inventory of the cars in actual service, the number and description of such cars as may have been destroyed and replaced by others, and the then location of said cars. Tarbutton will furnish the Secured Party such other information concerning the Collateral as the Secured Party may from time to time reasonably request.

(d) Inspection. Tarbutton will permit the Secured Party and its designees, from time to time, to inspect the Collateral and to inspect, audit and make copies of and extracts from books, records and all other papers in possession of Tarbutton pertaining to the Collateral; and, upon request of the Secured Party, Tarbutton will furnish duly verified copies or summaries thereof in form and content satisfactory to the Secured Party.

(e) Compliance with Laws, Rules and Regulations. Tarbutton shall comply with all the applicable laws of each jurisdiction in or through which the cars may be operated, covering the deployment, usage, operation or maintenance thereof, and with all the applicable rules and regulations of each governmental body exercising any power or jurisdiction over the cars. In the event any of such laws, rules or regulations

require any alteration of, or any additional equipment or appliance on the cars or any part thereof, Tarbutton shall immediately comply therewith at his own expense; and Tarbutton shall maintain the cars in proper condition for operation under such laws, rules and regulations during the continuance of this Agreement; provided, however, that upon written notice to the Secured Party Tarbutton shall not be required to comply with any such law, rule or regulation the validity of which Tarbutton shall at the time be contesting in good faith by appropriate legal proceedings, unless in the judgment of the Secured Party its security interest in the cars may be materially endangered by such noncompliance.

(f) Filing. Tarbutton shall prepare and file, or cause to be prepared and filed, all documents relating to the registration, maintenance and record keeping functions involving the cars. Such documents shall include but are not limited to the following:

(i) registration in Official Railway Equipment Register and the Universal Machine Language Equipment Register; and

(ii) such reports as may be required from time to time by the ICC and other regulatory agencies.

Tarbutton shall perform all necessary record keeping functions related to the use of the cars by any railroad in accordance with AAR Railroad Interchange Agreements and Rules, such as car hire reconciliation. All such records, and all records of payments, charges and correspondence relating to the cars shall be separately recorded and maintained by Tarbutton in a form suitable for reasonable inspection by the Secured Party from time to time during regular business hours of Tarbutton or Tarbutton's agent.

(g) Transfers and Other Liens. Tarbutton shall not without the prior written consent of the Secured Party:

(i) sell, assign (by operation of law or otherwise) or otherwise dispose of (other than through lease or deployment) any of the cars, except those no longer used or deemed useful in the business and for which Tarbutton has obtained a replacement, cars destroyed and not replaced as provided in subparagraph (a)(ii) of this paragraph 4, and cars aggregating $50,000 or less in fair market value during any twelve month period); or

(ii) create or suffer to exist any lien, security interest or other adverse interest upon or with respect to any of the Collateral to secure indebtedness of any person or

entity, except for the security interest created by this Agreement and those set forth on Exhibit B hereto.

(h) Change of Location. Tarbutton will give prior written notice to Secured Party before effecting any change in his principal place of business.

(i) Taxes and Assessments. Except to the extent the validity thereof is being contested in good faith, Debtor will promptly pay when due any and all taxes, assessments and other governmental charges of any and every type that may be levied on or with respect to any of the Collateral.

5. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default under this Agreement:

(a) the failure of the Debtor to pay any of the Obligations owed by the Debtor as and when the same shall become due and payable;

(b) the failure of the Debtor to perform any of its other agreements or obligations as specified in the Security Agreement of Debtor described above, in the Note, or in the Agreement Not to Sell or Encumber Assets of even date herewith between the Debtor and the Secured Party, and such default shall continue for a period of fifteen (15) days after written notice thereof has been given to the Debtor and Tarbutton by Secured Party;

(c) the failure of Tarbutton to perform any of his agreements or obligations as specified in this Agreement and such default shall continue for a period of fifteen (15) days after written notice thereof has been given to Tarbutton by the Secured Party;

(d) if at any time any representation, warranty, statement, certificate, schedule or report made by the Debtor to the Secured Party in writing shall prove to have been false in any material respect as of the time made or furnished; or

(e) the occurrence of any "Event of Default" under the Note and such default shall continue for a period of fifteen (15) days after written notice thereof has been given to Tarbutton by Secured Party.

6. Remedies. If any Event of Default shall have occurred and be continuing:

(a) Remedies. Provided that, with respect to any Event of Default other than one described in subparagraph (c) of paragraph 5 of this Agreement, the Secured Party has exercised reasonable diligence and made reasonable efforts to

obtain payment in full of the Obligations by Debtor or from the Collateral provided by Debtor to Secured Party pursuant to the Security Agreement of Debtor described above, but has not been able to obtain full payment, and further provided that the Secured Party proceeds simultaneously to exercise its rights and remedies equally against the collateral provided by Ben J. Tarbutton, Jr. pursuant to that certain Security Agreement of even date herewith given by him to Secured Party, the Secured Party may exercise the following rights and remedies in respect of the Collateral:

(i) take immediate possession of the cars, including any equipment or parts substituted, added or attached thereto, without demand, process or further notice and, for this purpose, the Secured Party shall have the right to enter upon the premises wherever said cars may be found, remove the same, employ any available trackage and similar facilities or means of removing same, or cause Tarbutton to assist in removing same and Tarbutton hereby covenants and agrees that he will, at his own expense, forthwith and in the usual manner, cause the cars to be promptly moved to a point or points that shall have been reasonably designated by the Secured Party, and shall there deliver the same or cause them to be delivered to the Secured Party. (It is hereby expressly agreed that the covenants in this paragraph are of the essence of this Agreement and that upon application to any court having jurisdiction, the Secured Party shall be entitled to a decree against Tarbutton requiring the specific performance thereof).

(ii) sell said cars at public or private sale or sales with or without having said cars at the place of sale, upon such reasonable terms and in such manner as the Secured Party may determine in its sole discretion. Tarbutton agrees that the Secured Party may bid at any such public sale. From the proceeds of any such sale, the Secured Party shall be entitled to deduct all expenses for retaking, repairing and selling said cars. The balance thereof shall be applied to the total unpaid amount of the Obligations, including all reasonable costs of collection and expenses including attorney's fees. Any surplus shall be paid over to Tarbutton. Tarbutton agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to Tarbutton of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of the cars regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(iii) make such payments and take such actions as Secured Party considers necessary or reasonable to protect its security interest in the Collateral.

(iv) to the extent not inconsistent with the terms of any agreement between Tarbutton and third parties, require Tarbutton to cease the sale, lease or furnishing under Contract of Service of any of the Collateral and cease the use thereof in business.

(b) Proceeds. All cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Secured Party, (i) be held by the Secured Party as collateral for the Obligations and/or (ii) then or at any time thereafter applied (after payment of any amounts payable to the Secured Party pursuant to this Agreement) in whole or in part by the Secured Party against all or any part of the Obligations in such order as the Secured Party shall elect. Any such cash or cash proceeds held by the Secured Party and remaining after payment in full of all the Obligations shall be paid over to Tarbutton or to whomsoever may be lawfully entitled to receive such surplus.

(c) Performance of Tarbutton's Obligations by Secured Party. At its option, Secured Party may from time to time perform any agreement or obligation of Tarbutton hereunder or under any other agreement by which Tarbutton or any of the Collateral is bound which Tarbutton shall fail to perform and take any action which Secured Party deems necessary for the maintenance or preservation of any of the Collateral or its interest therein, and Tarbutton agrees forthwith to reimburse Secured Party for all expenses reasonably incurred in connection with the foregoing, together with interest thereon at the rate set forth in the last sentence of the second paragraph of the Note.

7. Indemnity and Expenses. To the extent of the value of the Collateral, Tarbutton (a) agrees to indemnify the Secured Party from and against any and all losses, costs, expenses, fees and liabilities growing out of or resulting from this Agreement (including without limitation enforcement of this Agreement), except claims, losses or liabilities resulting from the Secured Party's negligence or willful misconduct; and (b) will upon demand pay to the Secured Party the amount of any and all reasonable fees, costs and expenses (including without limitation the reasonable fees and expenses of its counsel (including the allocated costs of in-house counsel) and of any experts and agents) which the Secured Party may incur in connection with (i) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of the Secured Party under this Agreement, or

(iii) the failure by Tarbutton to perform or observe any of the provisions of this Agreement.

8. Continuing Security Interest; Termination Upon Payment in Full of the Obligations. This Agreement creates a continuing security interest in the Collateral and shall remain in full force and effect until payment or performance in full of the Obligations and until the Secured Party shall have no obligations to make any further loan or extension of credit to Debtor under the Note. Upon the payment or performance in full of the Obligations, the security interest granted by this Agreement shall terminate and all rights to the Collateral shall revert to Tarbutton, and the Secured Party will, at Tarbutton's expense, execute and deliver to Tarbutton such documents as Tarbutton shall reasonably request to evidence such termination.

9. Further Assurances.

(a) General. Tarbutton agrees from time to time, at the expense of Tarbutton, promptly to execute and deliver all further instruments and documents, and to take all further action that may be necessary or desirable or that the Secured Party may reasonably request in order to perfect and protect any security interest granted (or purported to be granted) by this Agreement or to enable the Secured Party to exercise and enforce its rights and remedies with respect to any Collateral.

(b) Financing and Continuation Statements. Tarbutton hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Tarbutton where permitted by law and agrees that a photographic or other reproduction of this Agreement may be used and filed as a financing statement.

10. Secured Party May Perform; Secured Party Appointed Attorney-in-Fact. Tarbutton hereby irrevocably appoints the Secured Party Tarbutton's attorney-in-fact, with full authority in the place and stead of Tarbutton and in the name of Tarbutton, the Secured Party or otherwise, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (subject to the rights of Tarbutton under of this Agreement), including without limitation:

(i) to ask demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the cars; and

(ii) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral.

If Tarbutton fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by Tarbutton.

11. The Secured Party's Duties. The powers conferred on the Secured Party under this Agreement are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it under this Agreement, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Secured Party to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Secured Party to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

12. Miscellaneous.

(a) Survival. All representations, warranties, covenants, and agreements contained in this Agreement or made in writing by the Debtor in connection with this Agreement shall survive the execution and delivery of this Agreement and any and all notes, other agreements, documents and writings relating to or arising out of any of the foregoing or any of the Obligations.

(b) Notices. All communications under this Agreement shall be made in writing signed by the party making the same, and shall be deemed given on the date of personal delivery or mailed by certified or registered United States mail, postage prepaid, on the date mailed (and shall be deemed received on the date of personal delivery or, if so, mailed, on the third (3rd) business day after so mailed) to:

If to Tarbutton, to:

Hugh M. Tarbutton
260 Linton Road
Sandersville, Georgia 31082

with a copy to:

James K. Hasson, Jr., Esq.
Sutherland, Asbill & Brennan
3100 First Atlanta Tower
Atlanta, Georgia 30383

If to Secured Party, to:

The Citizens and Southern National Bank
35 Broad Street
Atlanta, Georgia 30303
Attention: Mr. David Bair

to such other representative or at such other address as either party may specify by written notice to the other party in accordance with this subsection.

(c) Time of the Essence. Time is of the essence of each and every provision of this Agreement.

(d) Exhibits. All exhibits referred to in this Agreement, all attachments to them and any other attachments to this Agreement are hereby incorporated into this Agreement and are hereby made a part of this Agreement as if set out in full in the first place that reference is made thereto.

(e) Other. This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia, constitutes the entire agreement of Tarbutton and the Secured Party with respect to the subject matter of this Agreement, supersedes all prior agreements, if any, between Tarbutton and the Secured Party as to the subject matter of this Agreement, and may not be amended except in writing signed by the party against whom the amendment is asserted. The exercise of any remedy provided in this Agreement shall not be deemed an election to the exclusion of any other such remedy, any such claim being waived. The failure at any time or times to require performance of any provisions of this Agreement shall in no manner affect the right to enforce the same; and no waiver of any provision (or of a breach of any provision) of this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed or construed either as a further or continuing waiver of any such provision or breach or a waiver (or a breach of) of any other provision this Agreement. The rights and privileges of the Secured Party under this Agreement shall inure to the benefit of its successors and assigns, and

the duties and obligations of Tarbutton under this Agreement shall bind his heirs, successors and assigns; provided, however, that except as set forth in the preceding, no assignment or transfer (by operation of law or otherwise) of rights and obligations under this Agreement shall be made without the prior written consent of the parties to this Agreement, which consent shall not be unreasonably withheld. If any provision of this Agreement shall for any reason be held invalid or unenforceable, no other provision shall be affected thereby, and this Agreement shall be construed as if the invalid or unenforceable provision had never been a part of it. Titles or captions of or in this Agreement are inserted only as a matter or convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. Whenever the context so requires, the singular number shall include the plural, the plural shall include the singular, and the gender of any pronoun shall include the other genders. This Agreement may be executed in two or more copies, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or its terms to produce or account for more than one of such copies.

DULY EXECUTED and delivered by Tarbutton, under seal, on July 18, 1988.

L.S.
Hugh M. Tarbutton

Accepted, and to the extent applicable agreed to, by the Secured Party:

THE CITIZENS AND SOUTHERN NATIONAL BANK

(Corporate Seal)

By: _____, SVP

Attest:

_____, Asst. Sec.

EXHIBIT A TO
SECURITY AGREEMENT

25 Hopper Cars bearing "SAN" designation and numbers as follows:

SAN 50074-50098

75 Boxcars bearing "SAN" designation and numbers as follows:

SAN 13000, 13001, 13003, 13004, 13007, 13008, 13011, 13012, 13013, 13014, 13016, 13017, 13018, 13019, 13020, 13021, 13022, 13023, 13024, 13025, 13027, 13029, 13030, 13031, 13032, 13033, 13036, 13038, 13039, 13040, 13041, 13044, 13046, 13047, 13048, 13049, 13051, 13052, 13053, 13054, 13056, 13057, 13058, 13059, 13060, 13061, 13062, 13063, 13064, 13065, 13066, 13068, 13070, 13072, 13073, 13074, 13075, 13076, 13077, 13078, 13079, 13080, 13081, 13082, 13083, 13087, 13088, 13089, 13090, 13091, 13094, 13095, 13096, 13097, 13098

EXHIBIT B TO
SECURITY AGREEMENT

1. All of the rights and obligations of Hugh M. Tarbutton ("Tarbutton") and Sandersville Railroad Company (the "Company") under leases, contracts and other agreements to which either is a party.

2. Liens for ad valorem taxes not yet due and payable.

3. Liens of architects, surveyors, engineers, materialmen and similar suppliers of goods and services to either Tarbutton or the Company.

4. Liens for income, intangibles or other taxes or governmental charges or levies not delinquent or which are being contested in good faith by or behalf of Tarbutton.

60171/km

ACKNOWLEDGMENT

STATE OF GEORGIA

COUNTY OF FULTON

On this 18th day of July, 1988, before me personally appeared Hugh M. Tarbutton, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Rebecca L. Smith
Notary Public

Notary Public, Cobb County, Georgia
My Commission Expires Dec. 9, 1990