

**First
Alabama
Bank**

First Alabama Bank
Dothan
Post Office Box 6507
Dothan, Alabama 36302
Telephone 205 677-2400

August 29, 1988

1 5795
RECORDED BY _____ FILED BY _____

AUG 31 1988-2 45 PM

INTERSTATE COMMERCE COMMISSION

No. 8-244A0064

Date ... AUG 30 1988 ...

Fee \$ 13.00 ...

ICC Washington, D. C.

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Ave., NW
Washington, D.C. 20423

Dear Secretary:

I am enclosing an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a Security Agreement, a primary document, dated August 29, 1988.

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

Secured Party: First Alabama Bank - Dothan, Alabama, Post Office Box 6507, Dothan, Alabama 36302.

Debtor: Rail Switching Services, Inc., 2506 South Park Avenue, Dothan, Alabama 36301.

A description of the equipment covered by the document follows:

<u>Quantity</u>	<u>Description of Equipment</u>
24	Locomotives

A fee of Thirteen Dollars (\$13.00) is enclosed. Please return the original document after recordation to Lowell Yearta, Senior Vice President, First Alabama Bank, Dothan, Alabama 36302.

Very truly yours,

Lowell Yearta
Lowell Yearta
Senior Vice President

LY:cp

Enclosures

MOTOR OPERATING UNIT

AUG 31 2 37 PM '88

ICC OFFICE OF THE SECRETARY

Interstate Commerce Commission
Washington, D.C. 20423

9/1/88

OFFICE OF THE SECRETARY

Lowell Yearta
Senior Vice President
First Alabama Bank
P.O.Box 6507
Dothan, Alabama 36302

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 3/31/88 at 2:45pm, and assigned recordation number(s). 15795

Sincerely yours,

Neville R. McGee
Secretary

Enclosure(s)

First Alabama Bank 5795

REVOLVING MASTER NOTE

Security Interest Herein

Security Interest—
Separate Agreement

Real Estate Mortgage

COMMERCIAL NOTE AND SECURITY AGREEMENT

AUG 31 1988-2 40 PM
INTERSTATE COMMERCE COMMISSION

Officer _____
Debtor _____
Note _____
Class _____
Collateral _____

FOR VALUE RECEIVED, the undersigned, herein called "Debtor," promises to pay to the order of First Alabama Bank of Dothan, Alabama, hereinafter called "Secured Party," at its offices in Dothan, Alabama, the sum of One million and 00/100 DOLLARS, with interest thereon at 10.00 per annum from Date and unless otherwise specified interest after maturity shall be at the same rate stated above, said indebtedness being payable as set forth below:

A. consecutive monthly installments as follows: _____ installments of \$ _____ and one (1) final installment of \$ _____ beginning _____ 19 _____ and on the same day of each month thereafter; payments (do) (do not) include interest.
B. 368 days after date, maturing September 1, 19 89.

C. Interest rate to be adjusted as Base Rate changes to correspond to First Alabama Bancshares, Inc. Commercial Base Lending Rate. INTEREST TO BE BILLED MONTHLY BEGINNING OCTOBER 1, 1988.

Upon default (default hereinafter defined), or Secured Party deeming itself insecure, the unpaid balance of this debt shall, at Secured Party's option become immediately due and payable and Secured Party is hereby authorized to apply at default, on, or after maturity, to the payment of this debt, any funds or security in the bank at which this note is payable, belonging to the maker, sureties, endorsers, guarantors, or any of them. Waiver of any default is not a waiver of a subsequent default.

SECURITY: Debtor hereby grants to Bank a security interest pursuant to the Alabama Uniform Commercial Code in, and to the following described property: _____

SEE APPENDIX 1, PAGES 1 AND 2 ATTACHED HERETO AND MADE A PART HEREOF.

Together with all similar property hereafter acquired, all products thereof, all proceeds and replacements thereof and all accessories, parts and equipment now and hereafter affixed thereto or used in connection therewith, which property is hereinafter collectively referred to as "Goods," including any monies payable under, or returned or unearned premiums on, any physical damage insurance on the goods, or credit or disability insurance provided for hereunder; Debtor is not authorized to sell or dispose of collateral without Secured Party's written consent and all of the same shall be kept at Debtor's address shown on this agreement unless authorized in writing by Secured Party to the contrary.

Collateral will be located at _____

If collateral is of a type normally used in more than one State, Debtor's chief place of business is _____

If checked, loan proceeds are being used to purchase the collateral, the security interest is of a "purchase money" nature, and loan proceeds may be disbursed directly to seller of collateral.
If checked, collateral is, wholly or partly, to be affixed to real estate or is farm products and in either or both of said events the collateral is or will be located or situated on land situated in _____ County, _____ (State), described as follows: _____

_____ and the record owner(s) of such real estate is _____

This security interest is given to secure the performance of the covenants and agreements herein set forth and for the payment of an indebtedness as evidenced by this note executed by Debtor payable to the order of said Bank as herein provided and with interest as herein set forth; and for all costs and expenses incurred in the collection of same, including a reasonable attorney's fee and enforcement of Bank's rights hereunder; and for the payment of all extensions and renewals of said note and all changes in form of said indebtedness which may be from time to time effected by agreement between Bank and Debtor; and all advances made by Bank for insurance on the Goods, taxes, levies and repairs to or maintenance of said Goods and for all costs and expenses incurred in the collection of same and enforcement of Bank's rights hereunder; and all money heretofore and hereafter advanced by Bank to or for the account of Debtor at the option of the Bank, and all other present or future, direct or contingent liabilities of Debtor to Bank of any nature whatsoever; and for interest on any money expended by Bank for insurance on the Goods, taxes, levies and repairs to or maintenance of said Goods; for interest on any money expended for costs and expenses incurred in the collection of said note and the enforcement of Bank's rights hereunder.

INSURANCE: Debtor agrees to keep the above collateral insured, naming bank as loss payee, in accordance with paragraph eight (8) on the reverse side. Debtor warrants that insurance will be maintained with: _____

AGENT _____ INSURANCE COMPANY _____

The rights and privileges of Bank under this agreement shall inure to the benefit of its successors and assigns. All covenants, representations, warranties and agreements of Debtor contained in this agreement are joint and several if Debtor is more than one and shall bind Debtor's personal representatives, heirs, successors and assigns. If any provision of this agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this agreement shall be construed as if such invalid or unenforceable provisions had never been contained herein.

The parties to this instrument whether maker, endorser, surety or guarantor, each for himself, hereby severally waive as to this debt, or any renewal thereof, all rights of exemption of property under the Constitution and Laws of Alabama or any other jurisdiction, and they each severally agree to pay all costs of collecting or securing or attempting to collect or secure this note, including the reasonable attorney's fees of the Bank where an attorney is consulted. Each maker, endorser, surety and guarantor hereof severally waives demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold him, and severally agrees that time of payment may be extended or renewal note taken or other indulgence granted or that any one or more of them may be released from liability on account of this note or additional parties may be added thereto, without notice of or consent to such action, without release of liability as to any such party not expressly released in writing by the holder. The Bank at which this note is payable is hereby authorized to apply on or after maturity by acceleration or otherwise, to the payment of this debt; any funds or credit held by said bank, on deposit, in trust, or otherwise, for account of the maker, endorser, surety, guarantor, or any of them, but shall not be required to make such application unless it shall elect, nor be liable to any maker, endorser, surety, guarantor or other party, for any failure or omission with respect thereof. In the event of the death of, insolvency of, general assignment by, judgment against, filing of petition in bankruptcy by or against, filing of application in any court for receiver for, or issuance of writ of garnishment or attachment in a suit or action against any party liable hereon or against any of the assets of any such party liable hereon, whether maker, endorser, surety or guarantor, or on the happening of any one or more of said events, the indebtedness evidenced hereby shall immediately become due and payable with interest, to date or if interest has been prepaid, with unearned interest credited as the case may be, unless the bank shall on notice of such event elect to waive such acceleration by written notation hereon; additionally, the indebtedness may be declared immediately due and payable upon such a change in the affairs (financial or otherwise) of any party liable hereon as in the opinion of the holder will increase the risk or render the debt insecure. Should there be a default in the payment of any installment for a period of 30 days, the maker agrees to pay the holder a late charge of 5% of each such installment in default, subject to a minimum charge of \$50 or a maximum of \$100.00. This note is executed under the seal of the undersigned.

THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED BY REFERENCE.
CAUTION—IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT.

P. O. Box 102 (address) _____ RAIL SWITCHING SERVICES, INC. (Debtor) (L.S.)
Dothan, AL 36302 (address) BY: Durden (Debtor) (L.S.)

Credit Approved By LY:F34:cp Branch # 328 K. E. Durden, (Debtor) President (L.S.)

Notary Public, Houston County, Alabama. (L.S.)
Proceeds By Revolving Master Note Caroline Pinchard (Notary) LON-153

APPENDIX 1

Page 1

THIS APPENDIX 1, PAGES 1 AND 2 ARE HEREBY ATTACHED TO AND MADE A PART HEREOF OF "COMMERCIAL NOTE AND SECURITY AGREEMENT" DATED AUGUST 29, 1988 IN THE NAME OF RAIL SWITCHING SERVICES, INC. IN THE AMOUNT OF \$1,000,000.00.

Description

1. 1954 EMD SW-1200, Serial #2004911-54, #RSS 201, garaged at Stone Container, P. O. Box 2560, Panama City, FL
2. 1953 EMD GP-9, Serial #79B31512, #RSS 6085, garaged at Stone Container, P. O. Box 2560, Panama City, FL
3. 1954 EMD SW-1200, Serial #RSS 202, garaged at American Maize Products Co., 1100 Indianapolis Blvd., Hammond, IN
4. 1954 EMD SW 8 Road SP #1152, Serial #14118, #RSS 203, garaged at American Maize-Products Company, 1100 Indianapolis Blvd., Hammond, IN
5. 1948 EMD Switcher NW-2, Serial #RSS 795, garaged at International Paper Co., Hwy. 59 South, FM Road 3129, Texarkana, TX
6. 1964 EMD SW-1200, Serial #7701, #RSS 601, garaged at International Paper Company, Hwy. 59 South, FM Road 3129, Texarkana, TX
7. 1964 EMD SW-1200, Serial #7707-2, #RSS 501, garaged at Macon Kraft Co. and Inland Container Corp., Mead Road, Macon, GA
8. 1952 EMD SW-1200, Serial #16940, #RSS 1205, garaged at International Paper Company, 705 Colliers Lane, Bastrop, LA
9. 1955 EMD SW-1200, Serial #21014, #RSS 1206, garaged at International Paper Company, 705 Colliers Lane, Bastrop, LA
10. 1964 EMD SW-1200, Serial #7707-1, #RSS 701, garaged at International Paper Company., P. O. Box 999, Mansfield, LA
11. 1965 EMD SW-1200, Serial #4473-2, #RSS 702, garaged at International Paper Company., P. O. Box 999, Mansfield, LA
12. 1966 EMD SW-1200, Serial #4491-5, #RSS 801, garaged at Union Camp, West Lathrop Ave., Savannah, GA

APPENDIX 1

Page 2.

13. 1966 EMD SN-1200, Serial #4491-14, #RSS 802, garaged at Union Camp, West Lathrop Ave., Savannah, GA
14. 1964 EMD SW-1200, Serial #7701-2, #RSS 803, garaged at Union Camp, West Lathrop Ave., Savannah, GA
15. 1951 EMD SW-1200, Serial #12558, #RSS 772, garaged at International Paper Company, 303 Barrett Street, Camden, AR
16. 1949 EMD Switcher NW-2, Serial #RSS 771, garaged at International Paper Company, 303 Barrett Street, Camden, AR
17. 1965 EMD SW-1200, Serial #4473-1, #RSS 905, garaged at Texas Eastman Company, Kodak Blvd., Longview, TX
18. 1964 EMD SW-1200, Engine #64A79, #RSS 901, garaged at Texas Eastman Company, Kodak Blvd., Longview, TX
19. 1963 EMD SW-1200, Engine #B27, #RSS 902, garaged at Texas Eastman Company., Kodak Blvd., Longview, TX
20. 1965 EMD SW-1200, Serial #65-811079, #RSS 903, garaged at Texas Eastman Company., Kodak Blvd., Longview, TX
21. 1964 EMD SW-1200, Serial #66-C21144, #RSS 904, garaged at Texas Eastman Company., Kodak Blvd., Longview, TX
22. 1973 EMD SW9 1200 HP (SP 2299), garaged at Galveston Railway, Inc., Galveston, TX
23. 1973-EMD SW9-1200 HP (SP 2298), garaged at Galveston Railway, Inc., Galveston, TX
24. 1957 EMD SW-1200 1200 HP, Road Unit #9615, #RSS 351, Serial #57-D-172, Engine #12-567-C garaged at Perry, AR

FIRST ALABAMA BANK - DOTHAN

RAIL SWITCHING SERVICES,
INC.

BY: Lowell Yearta
Lowell Yearta
Senior Vice President

BY: K. E. Durden
K. E. Durden
President

Notary Public, Houston County, Alabama.

Caroline Pincard
(Notary)

My Commission Expires 4/1/01

