

LAW OFFICES

HURT, RICHARDSON, GARNER, TODD & CADENHEAD

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1400 PEACHTREE PLACE TOWER

999 PEACHTREE STREET, N E

ATLANTA, GEORGIA 30309-3999

(404) 870-6000

TELEX 54-3668
TELECOPIER (404) 870-6020
870-6047ONE LAKESIDE COMMONS
990 HAMMOND DRIVE SUITE 1050
ATLANTA GEORGIA 30328
(404) 399-9070

August 25, 1989

WRITERS DIRECT DIAL NUMBER
870-6120. 16496
RECORDATION NO _____ FILED 1425

AUG 28 1989 - 3 45 PM

Interstate Commerce Commission
Washington, D.C. 20423
Attn: Ms. Mildred Lee, Rm. 2303

INTERSTATE COMMERCE COMMISSION

RE: Loan and Security Agreement between Bank South,
N.A., a national banking association, and
Railcar, Ltd., a Georgia corporation, dated
August 23, 1989 (the "Chattel Mortgage")

Dear Ms. Lee:

I have enclosed an original and one (1) certified true
copy of the document described below, to be recorded pursuant
to § 11303 of Title 49 of the U.S. Code. This document is a
Chattel Mortgage, a primary document, dated August 23, 1989.The names and addresses of the parties to the document
are as follows:Mortgagor: Railcar, Ltd.
1819 Peachtree Street, N.E.
Suite 303
Atlanta, Georgia 30309-1847
Attn: Mr. Wilds L. PierceMortgagee: Bank South, N.A.
P.O. Box 4387
Mail Code 20
Atlanta, Georgia 30302
Attn: Joseph C. SuggA description of the equipment covered by the document
is attached to this transmittal letter as Exhibit "A" and
incorporated herein by this reference.11-10
68. 11/11/89 12 000

Ms. Mildred Lee
Interstate Commerce Commission
Page 2
August 25, 1989

I have also enclosed a fee of \$13.00. Please return the original primary document and any extra copies not needed by the Commission for recordation to the following:

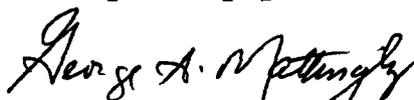
George A. Mattingly, Esq.
Hurt, Richardson, Garner, Todd & Cadenhead
1400 Peachtree Place Tower
999 Peachtree Street, N.E.
Atlanta, Georgia 30309-3999

A short summary of the primary document to appear in the index follows:

Loan and Security Agreement between Bank South, N.A., a national banking association, and Railcar, Ltd., a Georgia corporation, dated August 23, 1989, covering two hundred thirty eight (238) railroad cars intended for use related to interstate commerce, in addition to any and all railroad cars hereafter acquired by Mortgagor.

If I may be of any further assistance, please do not hesitate to contact the undersigned.

Very truly yours,



George A. Mattingly
Authorized Attorney for
Bank South, N.A.

GAM:gns
60701/13-16

EXHIBIT "A"

Included in the property covered by the Chattel Mortgage are not less than two hundred thirty-eight (238) 50 foot, 70 ton, Plate "B" and Plate "C" Boxcars acquired or to be acquired by Railcar, Ltd. after purchase thereof, including, without limitation, seventy-seven (77) of such cars bearing the following numbers:

ITC 7244	ITC 7357
ITC 7246	ITC 7364
ITC 7251	ITC 7365
ITC 7256	ITC 7368
ITC 7257	ITC 7370
ITC 7261	ITC 7373
ITC 7264	ITC 7374
ITC 7265	ITC 7375
ITC 7266	ITC 7381
ITC 7269	ITC 7385
ITC 7272	ITC 7388
ITC 7280	ITC 7389
ITC 7283	ITC 7395
ITC 7290	ITC 7399
ITC 7291	ITC 7400
ITC 7292	ITC 7407
ITC 7293	ITC 7411
ITC 7294	ITC 7415
ITC 7296	ITC 7416
ITC 7309	ITC 7417
ITC 7311	ITC 7421
ITC 7313	ITC 7422
ITC 7317	ITC 7425
ITC 7320	ITC 7429
ITC 7321	ITC 7433
ITC 7327	ITC 7435
ITC 7328	ITC 7437
ITC 7330	ITC 7438
ITC 7332	ITC 7445
ITC 7333	ITC 7449
ITC 7334	ITC 7451
ITC 7337	ITC 7454
ITC 7345	ITC 7457
ITC 7346	ITC 7473
ITC 7348	ITC 7480
ITC 7350	ITC 7482
ITC 7352	ITC 7486
ITC 7355	ITC 7487
	ITC 7488

Interstate Commerce Commission
Washington, D.C. 20423

9/6/89

OFFICE OF THE SECRETARY

George A. Mattingly, Esq.
Hurt, Richardson, Garner, Todd & Cadenhead
1400 Peachtree Place Tower
999 Peachtree St. N.E.
Atlanta, Georgia 30309-3999

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 8/28/89 at 3:45pm, and assigned recordation number(s). 16496

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

LOAN AND SECURITY AGREEMENT

AUG 28 1989 3 45 PM

INTERSTATE COMMERCE COMMISSION

THIS LOAN AND SECURITY AGREEMENT ("Agreement") is made as of the 23rd day of August, 1989, by and among BANK SOUTH, N.A. ("Lender"), a national banking association with an office located at 55 Marietta Street, N.W., Atlanta, Georgia 30303, and RAILCAR, LTD., a Georgia corporation, whose address is 1819 Peachtree Street, N.E., Suite 303, Atlanta, Georgia 30309 ("Borrower"),

W I T N E S S E T H:

WHEREAS, Borrower desires or may desire from time to time hereafter to borrow up to an aggregate of One Million Five Hundred Thousand Dollars (\$1,500,000) from Lender, and Lender may, from time to time hereafter, make certain advances to Borrower for the account of Borrower upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, and of any extension of credit heretofore, now or hereafter made by Lender to Borrower, the parties hereto hereby agree as follows:

1. GENERAL DEFINITIONS

1.1 Defined Terms. When used herein, the following terms shall have the following meanings:

"Claims": all security interests, liens, claims, taxes, levies, assessments, charges or encumbrances held or asserted by any Person against the Collateral, other than those permitted to exist pursuant to Section 7.3 of this Agreement.

"Closing Date": the date on which the initial advance is made to or on behalf of Borrower under the Line of Credit.

"Collateral": all of the property and interests in property described in Section 5.1 hereof and all other property and interests in property which shall, from time to time, secure the Liabilities.

"Commitment": the commitment letter dated August 7, 1989 signed by Lender and Borrower whereby Lender and Borrower agreed on the terms of the Loan.

"Event of Default": any of the events specified in Section 9.1 hereof.

"Guarantor": Collectively, Wilds L. Pierce and Georgia P. Pierce, their heirs, personal representatives, successors and assigns.

"Guaranty": the Unconditional Guaranty of Payment and Performance of Guarantor, dated of even date herewith, the form of which is attached hereto as Exhibit "A" and by reference incorporated herein.

"Indebtedness": all liabilities, obligations and indebtedness of any and every kind and nature, including without limitation the Liabilities and all obligations to trade creditors, whether heretofore, now or hereafter owing, arising, due, or payable from Borrower to any Person and howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise.

"Liabilities": all liabilities, obligations and indebtedness of any and every kind and nature (including, without limitation, interest, charges, expenses, attorneys' fees and other sums chargeable to Borrower, by Lender and future advances made to or for the benefit thereof), whether arising under this Agreement, or any of the Other Agreements or acquired by Lender from any other source, whether heretofore, now or hereafter owing, arising, due or payable from Borrower, to Lender and howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise, including obligations of performance.

"Line of Credit": the revolving line of credit available for Borrower's use pursuant to Section 2.1 hereof.

"Loan": the loan to be made pursuant to the Commitment and which is the subject of this Agreement.

"Master Note": the promissory note of Borrower issued pursuant to Section 2.1 hereof to evidence advances under the line of credit in substantially the form attached hereto as Exhibit "B".

"Other Agreements": the Master Note, the Security Deed, the Guaranty, and all other agreements, instruments and documents and all other written matters whether heretofore, now or hereafter executed by or on behalf of Borrower, Guarantor and/or delivered to Lender with respect to the transactions contemplated by this Agreement.

"Person": any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or governmental unit.

"Prime Rate": the interest rate announced from time to time by Lender as its Prime Rate, but which may or may not be the lowest or best rate offered on loans by Lender. Every

change in the Prime Rate shall be effective on the date of its establishment.

"Rail Cars": two hundred thirty-eight (238) 50 foot, 70 ton, Plate "B" and Plate "C" boxcars to be purchased by Borrower and refurbished with the proceeds of the Loan. A listing (to be updated from time to time, as hereinafter provided) of such Rail Cars is set forth on Exhibit "C" attached herto and by reference made a part hereof.

"Security Deed": the Security Deed and Agreement of even date herewith made by Guarantor in favor of Lender conveying the property known as 34 Carlton Drive, Atlanta, Georgia as additional security for the Liabilities (the "Property").

"Special Collateral": any Collateral that is evidenced by an agreement, instrument, and/or document, including without limitation, promissory notes, documents of title and warehouse receipts.

1.2 Other Terms. All other terms contained in this Agreement shall, when the context so indicates, have the meanings provided for by the Uniform Commercial Code of the State of Georgia to the extent the same are used or defined therein.

2. GENERAL TERMS

2.1 Revolving Credit. Subject to all of the terms and conditions set forth herein and in the Other Agreements, Lender shall make a revolving Line of Credit available for Borrower's use from time to time upon the request of Borrower therefor, in an aggregate amount at any one time outstanding of up to One Million Five Hundred Thousand Dollars (\$1,500,000.00). All advances under the Line of Credit shall be made at the sole discretion of Lender upon a written application therefor and shall be evidenced by the Master Note, and shall bear interest payable the first day of each month, until paid, at the rate per annum equal to the Prime Rate PLUS Seven Hundred Thirty-Five One Thousands of One Percent (.735%). The Line of Credit shall terminate upon written notice from Lender to Borrower, and no advances shall be made thereafter.

2.2 All Advances to Constitute One Loan. All loans and advances by Lender to Borrower under this Agreement and the Other Agreements shall constitute one general obligation of Borrower secured by Lender's security interests in all of the Collateral granted hereunder, and by all other security interests, liens, claims and encumbrances heretofore, now, or at any time or times hereafter granted by Borrower to Lender.

2.3 General Interest Rate Provisions. All interest under this Agreement shall be calculated daily on the basis of a 360-day year and actual days elapsed. In no contingency or event whatsoever shall the interest rate charged pursuant to the terms of this Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall deem in a final determination applicable hereto. In the event that such a court determines that Lender has received interest hereunder in excess of the highest applicable rate, Lender shall promptly refund such excess interest to Borrower.

3. USE OF PROCEEDS

3.1 Working Capital Needs. Upon Borrower's written application therefor and such other reasonable or usual conditions as Lender may impose, Lender may in its discretion make advances under the Line of Credit for the purpose of financing Borrower's working capital needs as may be approved by Lender. Specifically, proceeds of advances from the Line of Credit shall be used to enable Borrower to purchase the Rail Cars from time to time and to pay the expenses of repairing and refurbishing the same.

3.2 Other Uses. At the discretion of Lender, upon the written application of Borrower, advances may be made under the Line of Credit for such other uses and purposes as may be mutually agreed between Borrower and Lender.

4. PAYMENTS

4.1 Payments. All payments to Lender shall be payable at Lender's address set forth in the initial paragraph of this Agreement or at such other place or places as Lender may designate from time to time in writing to Borrower. Except where evidenced by notes or other instruments issued and/or made by Borrower to Lender specifically containing provisions which are in conflict with this Section, that portion of the Liabilities consisting of:

(A) Principal payable on account of advances made by Lender to Borrower pursuant to the Line of Credit shall be payable by Borrower to Lender immediately upon demand, which demands may be made from time to time and may specify all or any portion of such principal;

(B) Interest payable pursuant to the Line of Credit shall be due on the first day of each month and at the maturity of principal;

(C) Costs, fees and expenses payable pursuant to this Agreement shall be payable to Lender or to such other Persons designated by Lender in writing, on demand;

(D) The balance of the Liabilities, if any, shall be payable to Lender as and when provided in this Agreement or the Other Agreements or on demand, whichever is earlier.

4.2 Application of Payments and Collections.

Borrower irrevocably waives the right to direct the application of any and all payments and collections at any time or times hereafter received by Lender from, or on behalf of, Borrower, and Borrower does hereby irrevocably agree that Lender shall have the continuing exclusive right to apply and reapply any and all such payments and collections received at any time hereafter by Lender or its agent against the Liabilities, in such manner as Lender reasonably may deem advisable, notwithstanding any entry by Lender upon any of its books and records. Lender shall, upon ten (10) days prior written notice from Borrower, but not more than two (2) times in any given calendar year, provide Borrower with a written accounting of the application of such payments and collections.

5. COLLATERAL: GENERAL TERMS

5.1 Security Interest in the Collateral. To secure the prompt payment to Lender of the Liabilities, Borrower hereby grants to Lender a continuing security interest in and to all of the following property and interests in property owned by Borrower, whether now owned or existing or hereafter acquired or arising, and wheresoever located:

(A) The Rail Cars;

(B) All instruments, accounts, accounts receivable, general intangibles, inventory, equipment and fixtures in any way associated or connected with the Rail Cars;

(C) All products and proceeds of the foregoing, together with all accessories, parts, equipment and appurtenances attached to any of the foregoing, whether now or hereafter acquired, and all substitutions, renewals or replacements of, and additions, improvements, accessions and accumulations to, or proceeds of any and all of the foregoing, together with the rents, issues, income and profits therefrom;

(D) All books and records of Borrower pertaining to the foregoing.

5.2 Disclosure of Security Interest. Borrower shall make appropriate entries upon its financial statements and books and records disclosing Lender's security interests in the Collateral.

5.3 Supplemental Documentation. At Lender's request, Borrower shall execute and/or deliver to Lender, at any time or

times hereafter, all agreements, instruments, documents, financing statements, warehouse receipts, bills of lading, certificates of title and other written matter necessary or requested by Lender to perfect and maintain perfected Lender's security interest in the Collateral and to consummate the transactions contemplated in or by this Agreement and the Other Agreements, in form and substance reasonably acceptable to Lender (the "Supplemental Documentation"), and pay the costs of any recording or filing of the same. Upon the occurrence of an Event of Default, Borrower hereby irrevocably makes, constitutes and appoints Lender (and all Persons designated by Lender for that purpose) as its true and lawful attorney (and agent-in-fact) to sign its name on any of the Supplemental Documentation and to deliver any of the Supplemental Documentation to such Persons as Lender, in its sole discretion, reasonably exercised, may elect.

5.4 Inspection. Lender (by any of its officers, employees and/or agents) shall have the right, at any time or times during usual business hours, provided at least one (1) day's notice is given, to inspect the Collateral, all records related thereto (and to make extracts from such records), and the premises upon which any of the Collateral is located, to discuss Borrower's affairs and finances with any Person and to verify the amount, quality, quantity, value and condition of, or any other matter relating to, the Collateral.

5.5 Perfection and Priority; Location of Collateral. Borrower warrants and represents that:

(A) None of the Collateral will be subject to any lien, security interest or other encumbrance having priority over the lien, security interest or encumbrance of Lender;

(B) The offices and/or locations where Borrower keeps the Collateral, are at the locations set forth on Exhibit D attached hereto and made a part hereof, and Borrower shall not remove the Collateral therefrom, and shall not keep any of such Collateral at any other office(s) or location(s) unless (i) they give Lender written notice of such removal and the new location of said books and records and/or the Collateral at least thirty (30) days prior thereto and (ii) the other office or location is within the continental United States of America; provided that Lender hereby acknowledges that the Rail Cars shall not be located at such locations;

(C) The addresses specified on Exhibit D include and designate the chief executive office and principal place of business of Borrower; and

(D) Any new office or place of business shall be within the continental United States of America, and Borrower,

by written notice delivered to Lender, shall advise Lender of the opening of any new office or place of business or its closing of any existing office or place of business if the location of the Collateral is affected thereby.

5.6 Lender's Payment of Claims Asserted. Lender, at any time or times hereafter, in good faith and in its sole discretion and without waiving or releasing any obligation, liability or duty of Borrower under this Agreement or the Other Agreements, or any Event of Default, may pay, acquire and/or accept an assignment of any security interest, lien, claim or encumbrance asserted by any Person against the Collateral; provided that Lender shall first give Borrower written notice of its intent to do the same, and Borrower does not, within ten (10) days of such notice, pay such claims and/or obtain to Lender's reasonable satisfaction the release of the security interests, liens, claims or encumbrances to which such notice relates. All sums paid by Lender in respect thereof and all costs, fees and expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, which are reasonably incurred by Lender on account thereof, shall be payable, on demand, by Borrower, jointly and severally, to Lender and shall be additional Liabilities hereunder secured by the Collateral.

6. WARRANTIES AND REPRESENTATIONS

6.1 General Warranties and Representations. Borrower warrants and represents that:

(A) Borrower is a Georgia corporation validly existing and in good standing in the State of Georgia, is in compliance with the applicable filing and annual registration provisions of the Georgia laws relating to corporations, and is authorized to exercise its corporate powers, rights and privileges in Georgia;

(B) Borrower, during the preceding five (5) years, has not been known as or used any other corporate, fictitious or trade names;

(C) Borrower has the corporate right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement and the Other Agreements executed, delivered and performed by it; this Agreement and each of those of the Other Agreements executed, delivered and performed by it is its legal, valid and binding obligations, enforceable in accordance with their respective terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and except as enforcement is subject to general principles of equity (including but not limited to all matters

of public policy), regardless of whether such enforceability is considered in a proceeding in equity or at law.;

(D) The execution, delivery and/or performance by Borrower of this Agreement and those of the Other Agreements executed, delivered and performed by it shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in any applicable partnership agreements, articles of incorporation or bylaws or contained in any agreement, instrument or document to which Borrower is now a party or by which it is bound;

(E) Borrower's uses of the proceeds of any advances and re-advances made by Lender to Borrower pursuant to this Agreement are, and will continue to be, legal and proper uses (duly authorized by all partnership agreements or required actions) and such uses are consistent with all applicable laws and statutes, as in effect as of the date hereof;

(F) Borrower has, and is in good standing with respect to, all governmental approvals, permits, certificates, inspections, consents and franchises necessary to continue to conduct its business as heretofore conducted by it and to own or lease and operate its property as now owned or leased by it;

(G) None of said approvals, permits, certificates, consents, or franchises contains any term, provision, condition or limitation more burdensome than such as are generally applicable to Persons engaged in the same or similar business;

(H) The Borrower now has capital sufficient to carry on its business and transactions and all businesses and transactions in which it is about to engage and is now solvent and able to pay its debts as they mature, and owns property whose fair salable value is greater than the amount required to pay its debts;

(I) Borrower is not a party to any contract or agreement or subject to any claim, restriction, judgment, decree or order materially and adversely affecting its business, property, assets, operations or condition, financial or otherwise, and is not a party to any labor dispute;

(J) Borrower is not in violation of any applicable statute, regulation or ordinance of any governmental entity, including, without limitation, the United States of America, Canada, any state, city, province, town, municipality, country or of any other jurisdiction, or of any agency thereof, in any respect materially and adversely affecting the Collateral or its business, property, assets, operations, or condition, financial or otherwise;

(K) Borrower is not in default with respect to any indenture, loan agreement, mortgage, lease, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound;

(L) Borrower has filed all foreign, federal, state and local tax returns and other reports it is required by law to file and has paid all due and payable national, federal, state, county, city, municipal, and/or other governmental taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to (A) the Collateral, (B) the Liabilities, (C) employees, payroll, income and/or gross receipts, (D) ownership and/or use of any of its assets, or (E) any other aspect of its businesses; and

(M) To the best of Borrower's knowledge, the execution and delivery of this Agreement or any of the Other Agreements by Borrower does not directly or indirectly violate or result in a violation of law or any regulations issued pursuant thereto, including without limitation, Regulation U, G, and T of the Board of Governors of the Federal Reserve System (12 CFR §§ 221, 207, and 220, respectively), and it does not own or intend to purchase or carry any "margin security", as defined in said Regulations.

7. COVENANTS AND CONTINUING AGREEMENTS

7.1 Affirmative Covenants. The Borrower covenants that it shall:

(A) Keep books of account and prepare financial statements and shall cause to be furnished to Lender such data and information (financial and otherwise) as Lender, from time to time, may reasonably request, bearing upon or related to the Collateral, its financial condition and/or results of operations. Without limiting the generality of the foregoing, Borrower will provide to Lender within 30 days of each fiscal quarter end, quarterly financial statements of the Borrower (which quarterly financial statements may be prepared internally), and within 60 days of each fiscal year end, annual financial statements (unaudited) of the Borrower in each case prepared in accordance with generally accepted accounting principles, consistently applied, but which annual financial statements shall be prepared by independent certified public accountants reasonably acceptable to Lender. However, for the fiscal year ending August 31, 1989, Lender shall accept a company prepared financial statement certified to by the Borrower's President.

(B) Notify Lender in writing, promptly upon its learning thereof, of any litigation materially and adversely affecting it, whether or not the claim is covered by insurance, and of the institution of any suit or administrative proceeding which may materially and adversely affect its operations,

financial condition or business or Lender's security interest in the Collateral.

(C) Pay the Indebtedness and perform all terms and conditions of loan documents relating thereto.

(D) Notify Lender in writing, promptly upon its learning thereof, of any claim against the Collateral;

(E) Keep and maintain insurance as follows:

(1) Hazard Insurance. Fire and extended coverage insurance, and such other hazard insurance as Lender may require with standard non-contributing mortgagee clauses and standard waiver of subrogation clauses, such insurance to be in such amounts and form as are currently in effect and by such companies as shall reasonably be approved by Lender, the originals of which policies (together with appropriate endorsements thereto, evidence of payment of premiums thereon and written agreement by the insurer or insurers therein to give Lender thirty (30) days' prior written notice of intention to cancel) shall be promptly delivered to Lender upon written request of Lender therefor, with such insurance to be kept in full force and effect at all times thereafter until the payment in full of the Loan; and

(2) Public Liability and Workers' Compensation Insurance. A certificate from an insurance company indicating that Borrower is covered by public liability and workers' compensation insurance to the reasonable satisfaction of Lender.

(3) Other Insurance. Such other evidence as Lender shall reasonably require showing that the Rail Cars are adequately insured against loss due to the hazards typically insured against under a standard, commercial hazard insurance policy, which insurance may be in the form of casualty loss indemnity available pursuant to rules and regulations of the Association of American Railroads.

7.2 Negative Covenants. Without Lender's prior written consent, Borrower shall Not:

(A) Dissolve or liquidate its assets; or merge or consolidate with or acquire all or any substantial portion of the assets of any Person;

(B) Change its name without giving Lender 30 days' notice of its intent to do so.

(C) Borrow money or otherwise incur any indebtedness after April 30, 1989 other than purchase money indebtedness used to acquire additional assets or to acquire and rebuild railroad cars;

(D) Grant or attempt to grant to any other person or entity, any lien, mortgage or security interest of whatever kind or nature, in any of the assets of Borrower other than purchase money security interests relating to additional assets acquired by Borrower.

(E) Sell, transfer, convey or assign any of its assets, except in the ordinary course of Borrower's business.

7.3 Contesting Claims. Notwithstanding anything to the contrary herein, Borrower may dispute any Claims without prior payment thereof, even if such non-payment may cause a lien to attach to its assets, provided that it shall have given Lender written notice of said dispute and shall be diligently contesting the same in good faith in an appropriate proceeding and, provided further that, if the same are in excess of \$5,000 in the aggregate at such time or times hereafter, it has given Lender such additional collateral and assurances that Lender, in its sole discretion, reasonably deems necessary under the circumstances, with due consideration as to whether such Claims will adversely affect the first priority status of Lender's lien and security interest in the Collateral.

7.4 Payment of Claims. Subject to the provisions of Section 7.3 above, Borrower shall pay promptly when due all of the Claims owing by or affecting it. Subject to the provisions of Section 7.3 hereof, in the event Borrower at any time or times hereafter, shall fail to pay any Claims or to promptly obtain the discharge of such Claims, it shall so advise Lender thereof in writing and Lender, may, without waiving or releasing any obligation or liability hereunder or any Event of Default, in its sole discretion, at any time or times thereafter, make such payment, or any part thereof, or obtain such discharge, or acquire or accept an assignment of such Claims and take any other action with respect thereto which Lender reasonably deems advisable. All sums so paid by Lender and any reasonable expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by Borrower to Lender and shall be additional Liabilities hereunder secured by the Collateral.

7.5 Survival of Obligations Upon Termination of Agreement. Except as otherwise expressly provided for in this Agreement and in the Other Agreements, no termination or cancellation (regardless of cause or procedure) of this Agreement or the Other Agreements shall in any way affect or impair the powers, obligations, duties, rights, and liabilities of the parties hereto in any way or respect relating to (A) any transaction or event occurring prior to such termination or cancellation; (B) the Collateral; (C) any of the undertakings, agreements, covenants, warranties and representations of the parties hereto contained in this Agreement or the Other Agreements. All such undertakings, agreements, covenants,

warranties and representations shall survive such termination or cancellation until the Liabilities shall have been paid to Lender in full.

7.6 Marking. No changes shall be made by Borrower to the identifying numbers of any Rail Car except in accordance with a statement of a new number or numbers to be substituted therefor which previously shall have been filed by or on behalf of Borrower and/or Lender in all public offices where this Agreement shall have been filed.

8. CONDITIONS PRECEDENT

Notwithstanding any other provision of this Agreement or any Other Agreement, and without affecting in any manner the rights of the Lender under the other sections of this Agreement, it is understood and agreed that Lender shall have no obligation at any time under Articles 2 and 3 of this Agreement unless and until the following conditions have been and continue to be satisfied all in form and substance reasonably satisfactory to Lender and its counsel in good faith.

8.1 No Injunction, etc. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any court, governmental agency or legislative body to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the consummation of the transactions contemplated hereby, or which, in the Lender's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement;

8.2 No Breach. The representations and warranties set forth in Article 6 hereof shall be true and correct in all material respects on and as of the Closing Date with the same effect as though made on and as of such date; Borrower shall be on such date in compliance with all the terms and provisions set forth in this Agreement on its part to be observed or performed; and after giving effect to the advance of funds hereunder, no Event of Default nor any event or condition which with notice, lapse of time, the making of such advance, or any combination thereof would constitute such an Event of Default, shall have occurred or be continuing;

8.3 Documentation. Lender shall have received, on or prior to the Closing Date, the following documents, each to be in form and substance satisfactory to Lender and its counsel:

(A) The personal, unconditional guaranty of Guarantor of the Liabilities;

(B) The Security Deed, duly executed in recordable form;

(C) Copies of all filing receipts or acknowledgments issued by any governmental authority to evidence any filing or recordation necessary to perfect the security interests of Lender in the Collateral and evidence in a form acceptable to Lender that such security interests constitute valid and perfected first priority interests;

(D) The Master Note, duly executed and delivered by Borrower to Lender;

(E) Such other documents, instruments and agreements (including the Other Agreements) as Lender reasonably shall request.

8.4 Advances - Further Documentation. Lender shall in no way be obligated to made advances on the Line of Credit unless and until all items and conditions required by the Commitment or this Agreement have been complied with, and until the following additional conditions shall have been satisfied:

(A) In respect to advances for the purchase of Rail Cars, the following:

(1) Lender shall have received a letter or certification respecting a title search undertaken in the appropriate office of the Interstate Commerce Commission, satisfactory to Lender's counsel, to the effect that the Rail Cars being purchased by Borrower from the Loan proceeds are free and clear of liens, encumbrances and security interests of whatever kind or nature;

(2) Lender shall have received the Borrower's draw request and certification in the form attached hereto on Exhibit "D" and by reference incorporated herein;

(3) Lender shall have received an updated listing of the Rail Cars being purchased with proceeds of the Loan, which shall be attached to this Agreement as part of Exhibit "C" and by reference shall become a part hereof;

(4) Lender shall have received an executed Bill of Sale in favor of Borrower from the seller of such Rail Cars; and

(5) Confirmation that this Loan and Security Agreement has been properly filed and recorded with the Interstate Commerce Commission, as permitted by the Interstate Commerce Act and other applicable laws.

(B) In respect to advances for repairs to the Rail Cars, Lender shall have received:

(1) From Kustom Karr Corporation ("Kustom") a waiver and subordination of its lien rights for work done or to be done by Kustom in refurbishing the Rail Cars on behalf of Borrower. The form of such lien subordination is attached hereto as Exhibit "E" and by reference incorporated herein, and the form of such Lien Waiver is attached hereto as Exhibit "F" and by reference incorporated herein;

(2) The Borrower's draw request and certification in the form attached hereto on Exhibit "D" and by reference incorporated herein;

(3) A paid invoice of Kustom Karr Corporation and any other contractor performing refurbishing services on the Rail Cars, marked paid in full, for the applicable refurbishing costs;

(4) An appropriate Certificate of Acceptance from Borrower's Chief Mechanical Officer relating to the refurbished Rail Cars and such other certificates from the Borrower to the effect that the Rail Cars have been rebuilt in compliance with Borrower's agreement with Kustom Karr Corporation and that such Rail Cars meet all applicable safety and other standards required by the Federal Railroad Administration and Association of American Railroads, and have an Association of American Railroads year date of one (1) or less.

(5) Other evidence reasonably satisfactory to Lender that no party claims or has a right to claim a statutory or common law lien arising from work to be done on the Rail Cars, which would have priority over the lien rights of Lender in such Rail Cars.

9. EVENTS OF DEFAULT: RIGHTS AND REMEDIES ON DEFAULT

9.1 Event of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(A) Borrower fails to pay within ten (10) days after written notice thereof from Lender, the Liabilities when due and payable or declared due and payable, provided that written notice shall no longer be required after Lender has given

Borrower written notice in three (3) separate instances in any one (1) calendar year or in ten (10) (but not fewer than ten (10)) separate instances of failure so to pay;

(B) The occurrence of a default or "event of default" under the Security Deed;

(C) Borrower fails or neglects to perform, keep or observe any other term, provision, condition, covenant, warranty or representation contained in this Agreement or in the Other Agreements, and the same is not cured to Lender's satisfaction within fifteen (15) days after Lender gives written notice identifying such failure;

(D) The occurrence of any default or event of default on the part of Borrower (including specifically, but without limitation, due to non-payment) under any other agreement, document or instrument to which it is a party or by which it is bound creating or relating to any material Indebtedness, and the same is not cured to Lender's satisfaction within fifteen (15) days after Lender gives written notice thereof;

(E) Any statement, report, financial statement, or certificate made or delivered by Borrower or Guarantor, or any of their partners, officers, employees or agents, to Lender is not true and correct in any material respect;

(F) There shall occur any material uninsured damage to or loss, theft, or destruction of any of the Collateral, and Borrower has not substituted additional collateral reasonably acceptable to Lender;

(G) The filing by Borrower or Guarantor of a voluntary petition or answer seeking liquidation, reorganization, arrangement, readjustment of its debts, or for any other relief under the Bankruptcy Code of 1978, 11 U.S.C. §101 et seq., as hereafter amended (the "Bankruptcy Code"), or under any other act or law pertaining to insolvency or debtor relief, whether state, Federal, or foreign, now or hereafter existing; or any agreement by Borrower or Guarantor indicating its consent to, approval of, or acquiescence in, any such petition or proceeding; the application by Borrower or Guarantor for, or the appointment by consent or acquiescence of, a receiver, custodian or trustee or for all or a substantial part of its property; the making by Borrower or

guarantor of an assignment for the benefit of creditors; or the inability or failure of Borrower or Guarantor, or its admission, in writing, of its inability or failure generally to pay its debts as such debts become due;

(H) The filing of an involuntary petition against Borrower or Guarantor seeking liquidation, reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Code, or under any other act or law pertaining to insolvency or debtor relief, whether state, Federal or foreign, now or hereafter existing, or the involuntary appointment of a receiver, custodian or trustee of Borrower or Guarantor or for all or a substantial part of its property; the entry of a material judgment or the issuance of a warrant of attachment, execution or similar process against any substantial part of the property of Borrower or Guarantor; and either (x) the continuance of any of the foregoing for thirty (30) days undismissed, unbonded or undischarged, or (y) within such thirty (30) day period, the entry of an order for relief under the Bankruptcy Code, in such case or proceeding;

(I) Borrower or Guarantor become insolvent or cease to conduct its business as now conducted or is enjoined, restrained or in any way prevented by court order from conduct in all or any material part of its business affairs; or

(J) The validity or effectiveness of any guaranty included in the Other Agreements shall be questioned or impaired.

9.2 Default Rate of Interest. Notwithstanding anything herein or in the Other Agreements to the contrary, upon and after an Event of Default, the Liabilities shall continue to bear interest at the per annum rate ordinarily applicable thereto plus additional post-default interest of two percent (2%) per annum until paid in full.

9.3 Acceleration of the Liabilities. Without in any way limiting the right of Lender to demand payment of the Liabilities pursuant to Section 4.1 hereof, upon and after an Event of Default, all of the Liabilities may, at the option of Lender and without demand, notice, or legal process of any kind, be declared, and immediately shall become, due and payable.

9.4 Remedies. Upon and after an Event of Default, Lender shall have the following rights and remedies:

(A) All of the rights and remedies of a secured party under the Uniform Commercial Code of the State where such rights and remedies are asserted, or under other applicable law, all of which rights and remedies shall be cumulative and

none of which shall be exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement, and in all of the Other Agreements;

(B) The right to (i) enter upon the premises of Borrower through self-help and without judicial process, without first obtaining a final judgment or giving notice and opportunity for a hearing on the validity of Lender's claim and without any obligation to pay rent, or any other place or places where the Collateral is located and kept, and remove the Collateral therefrom to the premises of Lender or any agent of Lender, for such time as Lender may desire, in order to effectively collect or liquidate the Collateral, and/or (ii) require Borrower to assemble the Collateral and make it available to Lender at a place to be designated by Lender, in its sole discretion; and

(C) The right to sell or to otherwise dispose of all or any Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sale or sales, with such notice as may be required by law, in lots or in bulk, for cash or on credit, all as Lender, in its sole discretion, may reasonably deem advisable, such sales may be adjourned from time to time with or without notice. Lender shall have the right to conduct such sales on Borrower's premises or elsewhere and shall have the right to use such premises without charge for such sales for such time or times as Lender may reasonably see fit. Lender is hereby granted a license or other right to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, tradenames, trademarks and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in advertising for sale and selling any Collateral and the rights under all licenses and all franchise agreements shall inure to Lender's benefit. Lender shall have the right to sell, lease or otherwise dispose of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Liabilities.

9.5 Notice. Any notice required to be given by Lender of a sale, lease, other disposition of the Collateral or any other intended action by Lender, given to Borrower in the manner set forth in Section 10.10 below, ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice.

9.6 Appointment of Lender as Attorney. Upon and after an Event of Default, Borrower irrevocably designates, makes, constitutes and appoints Lender (and all persons designated by Lender) as its true and lawful attorney (and

agent-in-fact) and Lender, or Lender's agent, may, in good faith, (except as expressly stated otherwise in the Other Agreements relating to the Special Collateral) without notice, and at such time or times thereafter as Lender or said agent, in its sole discretion, may determine, in its or Lender's name: (i) exercise all of Borrower's rights and remedies with respect to the collection of the Special Collateral; (ii) if permitted by applicable law, sell or assign the Special Collateral upon such terms, for such amounts and at such time or times as Lender deems advisable; (iii) discharge and release the Special Collateral; (iv) prepare, file and sign Borrower's name on any notice of lien or similar document in connection with the Special Collateral; (v) do all acts and things necessary, in Lender's sole discretion, to fulfill Borrower's obligations under this Agreement; (vi) endorse the name of Borrower upon any chattel paper, document, instrument, invoice, freight bill, bill of lading or similar document or agreement relating to the Special Collateral; and (vii) use the information recorded on or contained in any data processing equipment and computer hardware and software relating to the Special Collateral to which Borrower has access.

10. MISCELLANEOUS

10.1 Modification of Agreement; Sale of Interest.

This Agreement and the Other Agreements may not be modified, altered or amended, except by an agreement in writing signed by the parties hereto. Borrower may not sell, assign or transfer this Agreement, or the Other Agreements or any portion thereof, including, without limitation, rights, title, interests, remedies, powers, and/or duties hereunder or thereunder. Borrower hereby consents to Lender's participation, sale, assignment, transfer or other disposition, at any time or times hereafter, of this Agreement or the Other Agreements, or of any portion hereof or thereof, including, without limitation, Lender's rights, title, interests, remedies, powers, and/or duties hereunder or thereunder.

10.2 Taxes, Attorneys' Fees and Expenses. If, at any time or times, whether prior or subsequent to the date hereof, regardless of the existence of an Event of Default, Lender employs counsel for advice or other representation or incurs legal and/or other costs and expenses in connection with: (A) the preparation of this Agreement, all Other Agreements, any amendment of or modification of this Agreement or the Other Agreements; (B) the administration of this Agreement and the Other Agreements with respect to draws of the Line of Credit; then, in any event, the reasonable attorneys' fees (not to exceed \$4,500.00 plus reasonable out-of-pocket expenses, except for extraordinary services required but not currently reasonably anticipated by the Lender) arising from such services and all reasonably incurred expenses, costs, charges and other fees of such counsel of or Lender or relating

to any of the events or actions described in this Section shall be additional Liabilities hereunder secured by the Collateral.

In addition, if any taxes shall be payable on account of the execution or delivery of this Agreement, or the execution, delivery, issuance or recording of any of the Other Agreements, or the creation of any of the Liabilities hereunder, by reason of any existing or hereafter enacted federal or state statute, Borrower will be responsible to pay all such taxes, including, but not limited to, any interest and/or penalty thereon, and will indemnify and hold Lender harmless from and against liability in connection therewith.

10.3 Waiver by Lender. Lender's failure, at any time or times hereafter, to require strict performance of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith. Any suspension or waiver by Lender of any Event of Default under this Agreement or the Other Agreements shall not suspend, waive or affect any other Event of Default under this Agreement or the Other Agreements, whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations contained in this Agreement or the Other Agreements and no Event of Default under this Agreement or the Other Agreements shall be deemed to have been suspended or waived by Lender, unless such suspension or waiver is by an instrument in writing signed by a duly authorized representative of Lender and specifying such suspension or waiver.

10.4 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, it is the intention of the parties hereto that such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10.5 Parties. This Agreement and the Other Agreements shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

10.6 Conflict of Terms. The provisions of the Other Agreements and Exhibits hereto are incorporated in this Agreement by this reference thereto. Except as otherwise provided in this Agreement and except as otherwise provided in the Other Agreements by specific reference to the applicable provision of this Agreement, if any provision contained in this Agreement is in conflict with, or inconsistent with, any

provision in the Other Agreements, it is the intention of the parties hereto that the provision contained in this Agreement shall govern and control. Notwithstanding any provision herein to the contrary, this Agreement constitutes the entire agreement of the parties and supercedes the Commitment.

10.7 Waivers. Except as otherwise provided for in this Agreement or in the Other Agreements, Borrower waives (i) presentment, demand and protest and notice of presentment, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Lender on which Borrower may in any way be liable and hereby ratifies and confirms whatever Lender may do in this regard; (ii) notice prior to taking possession or control of the Collateral or any bond or security which might be required by any court prior to allowing Lender to exercise any Lender's remedies; and (iii) the benefit of all valuation, appraisalment and exemption laws.

10.9 Governing Law. This Agreement has been negotiated, executed and delivered at and shall be deemed to have been made at Atlanta, Georgia. The loans provided for herein are to be funded and repaid at and this Agreement is otherwise to be performed at Atlanta, Georgia and this Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of Georgia.

10.10 Notice. Except as otherwise provided herein, any notice required hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered upon deposit in the United States mails, by registered or certified mail, return receipt requested, with proper postage prepaid, and addressed to the party to be notified at the address, with respect to Lender, show in the first paragraph of this Agreement, to the attention of Joseph C. Sugg, and with respect to the other parties hereto, in care of the address appearing below, or to such other addresses as each party may designate for itself by like notice:

RAILCAR, LTD.
1819 Peachtree Street, N.E., Suite 303,
Atlanta, Georgia 30309
Attention: Wilds L. Pierce

10.11 Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

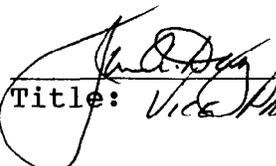
IN WITNESS WHEREOF, this Agreement has been duly executed under seal as of the day and year specified at the beginning hereof.

ATTEST:

Title:

[SEAL]

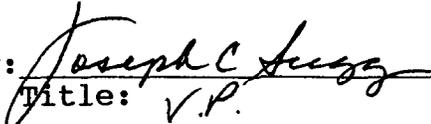
ATTEST:


Title: *Vice President Finance*

[CORPORATE SEAL]

"LENDER"

BANK SOUTH, N.A.

By: 
Title: *V.P.*

Title:

"BORROWER"

RAILCAR, LTD.

By: 
Title: *PRESIDENT*

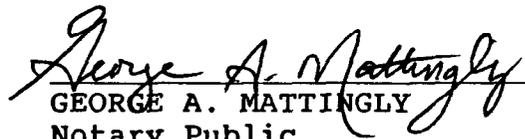
Title:

STATE OF GEORGIA

COUNTY OF FULTON

ACKNOWLEDGEMENT

On this 23rd day of August, 1989 before me personally appeared, JOSEPH C. SUGG, to me personally known, who being by me duly sworn, says that he is a Vice-President of Bank South, N.A., a national banking association, that the foregoing instrument was signed and sealed on behalf of said national banking association by a duly authorized officer, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.


GEORGE A. MATTINGLY
Notary Public

[NOTARY SEAL]

My Commission Expires:



GEORGE A. MATTINGLY
1400 PEACHTREE PLACE TOWER
909 PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30309-3999
(404) 870 6000
Notary Public, Fulton County, Georgia
My Commission Expires Aug 19, 1991

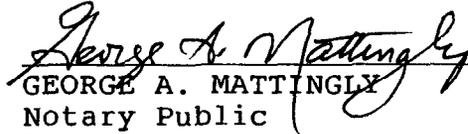
6889N

STATE OF GEORGIA

COUNTY OF FULTON

ACKNOWLEDGEMENT

On this 23rd day of August, 1989 before me personally appeared, WILDS S. PIERCE, to me personally known, who being by me duly sworn, says that he is the President of Railcar, Ltd., a Georgia corporation, 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.


GEORGE A. MATTINGLY
Notary Public

[NOTARY SEAL]

My Commission Expires:



GEORGE A. MATTINGLY
1406 PEASHTREE PLACE TOWER
999 PEPPER TREE STREET, N.E.
ATLANTA, GEORGIA 30303-3099
(404) 270-1111
Notary Public, Fulton County, Georgia
My Commission Expires Aug 19, 1991

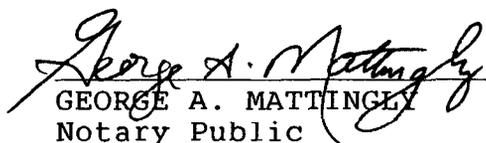
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STATE OF GEORGIA

COUNTY OF FULTON

CERTIFICATE

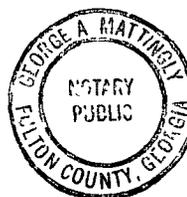
This is to certify that the undersigned has compared the attached copy of that certain Loan and Security Agreement between Bank South, N.A., a national banking association, and Railcar, Ltd., a Georgia corporation, dated August 23, 1989 (the "Chattel Mortgage") with the original Chattel Mortgage, and has found the attached copy to be complete and identical in all respects to the original Chattel Mortgage.



GEORGE A. MATTINGLY
Notary Public

[NOTARY SEAL]

My Commission Expires:



GEORGE A MATTINGLY
1400 PEACHTREE PLACE TOWER
900 PEACHTREE STREET, N E
ATLANTA, GEORGIA 30309-3999
(404) 870-0000
Notary Public, Fulton County, Georgia
My Commission Expires Aug 19, 1991

SCHEDULE OF EXHIBITS

<u>EXHIBIT</u>	<u>DESCRIPTION OF EXHIBIT</u>
A	Form of Guaranty
B	Form of Master Note
C	Listing of Rail Cars
D	Borrower's Draw Request and Certification
E	Lien Subordination - Kustom Karr
F	Lien Waiver - Kustom Karr

EXHIBIT A

UNCONDITIONAL GUARANTY OF PAYMENT AND PERFORMANCE

FOR AND IN CONSIDERATION OF the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable considerations paid or delivered to the undersigned Guarantors, the receipt and sufficiency whereof are hereby acknowledged by Guarantors, and for the purpose of seeking to induce BANK SOUTH, N.A., a national banking association chartered pursuant to the laws of the United States of America (hereinafter referred to as "Lender") to extend credit to RAILCAR, LTD., a Georgia Corporation (hereinafter referred to as "Borrower"), which extension of credit will be to the direct interest and advantage of Guarantors, Guarantors, do hereby unconditionally guarantee to Lender, its successors, successors-in-title and assigns (a) the full and prompt payment when due, whether by acceleration or otherwise, with such interest as may accrue thereon, either before or after maturity thereof, of that certain Master Note dated August 23, 1989, made by Borrower to the order of Lender in the principal face amount of ONE MILLION FIVE HUNDRED THOUSAND and NO/100 DOLLARS (\$1,500,000.00) (hereinafter referred to as the "Note"), together with any renewals, modifications, consolidations and extensions thereof, (b) the full and prompt payment and performance of any and all obligations of Borrower to Lender under the terms of that certain Loan and Security Agreement dated of even date herewith and securing the indebtedness evidenced by the Note (hereinafter referred to as the "Security Instrument"), and (c) the full and prompt payment and performance of any and all other obligations of Borrower to Lender under any other documents or instruments now or hereafter evidencing, securing, or otherwise relating to the indebtedness evidenced by the Note (the Security Instrument and said other documents and instruments are hereinafter referred to collectively as the "Loan Documents"). Guarantors do hereby agree that if the Note is not paid by Borrower in accordance with its terms, or if any and all sums which are now or may hereafter become due from Borrower to Lender under the Loan Documents are not paid by Borrower in accordance with their terms, Guarantors will immediately make such payments. Guarantors further agree to pay Lender all expenses (including attorney's fees calculated on a regular hourly basis for the time actually expended on the matter) paid or incurred by Lender in endeavoring to collect the indebtedness evidenced by the Note, to enforce the obligations of Borrower guaranteed hereby, or any portion thereof, or to enforce this Guaranty.

Guarantors hereby consent and agree that Lender may at any time, and from time to time, without notice to or further consent from Guarantors, whether with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf or for its account, securing any indebtedness or liability hereby guaranteed; substitute for any collateral so held by it, other collateral of like kind, or of any kind; modify the terms of the Note or the Loan Documents; extend or renew the Note for any period; grant releases, compromises and indulgences with respect to the Note or the Loan Documents and to any persons or entities now or hereafter liable thereunder or hereunder; release any Guarantors or any other guarantor or endorser of the Note, the Security Instruments, or any other of the Loan Documents; or take or fail to take any action of any type whatsoever. No such action which Lender shall take or fail to take in connection with the Loan Documents, or any of them or any security for the payment of the indebtedness of Borrower to Lender or for the performance of any obligations or undertakings of Borrower, nor any course of dealing with Borrower or any other person, shall release Guarantors' obligations hereunder, affect this Guaranty in any way or afford Guarantors any recourse against Lender, including, but

not limited to the fact that the Note is non-recourse to Borrower. The provisions of this Guaranty shall extend and be applicable to all renewals, extensions, amendments, consolidations or modifications thereof. This Guaranty unconditionally guarantees the performance of all obligations to Lender as set forth in the Loan Documents made on behalf of Borrower by any officer, partner, or agent of Borrower.

Guarantors hereby subordinate any and all indebtedness of Borrower now or hereafter owed to Guarantors to all indebtedness of Borrower to Lender, and agrees with Lender that Guarantors shall not demand or accept any payment of principal or interest from Borrower, shall not claim any offset or other reduction of Guarantors' obligations hereunder because of any such indebtedness and shall not take any action to obtain any of the security described in and encumbered by the Security Instrument; provided, however, that, if Lender so requests, such indebtedness shall be collected, enforced and received by Guarantors as trustee for Lender and be paid over to Lender on account of the indebtedness of Borrower to Lender, but without reducing or affecting in any manner the liability of Guarantors under the other provisions of this Guaranty.

Guarantors hereby waive and agree not to assert or take advantage of (a) the defense of the statute of limitations in any action hereunder or for the collection of the indebtedness or the performance of any obligation hereby guaranteed; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantors or any other person or entity, or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (c) any defense based on the failure of Lender to give notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of any other person whomsoever, in connection with any obligation hereby guaranteed; (d) any defense based upon an election of remedies by Lender which destroys or otherwise impairs any subrogation rights of Guarantors or the right of Guarantors to proceed against Borrower for reimbursement, or both; (e) any defense based upon failure of Lender to commence an action against Borrower; (f) any duty on the part of Lender to disclose to Guarantors any facts it may now or hereafter know regarding Borrower; (g) acceptance or notice of acceptance of this Guaranty by Lender; (h) notice of presentment and demand for payment of any of the indebtedness or performance of any of the obligations hereby guaranteed; (i) protest and notice of dishonor or of default to Guarantors or to any other party with respect to the indebtedness or performance of obligations hereby guaranteed; (j) any and all other notices whatsoever to which Guarantors might otherwise be entitled; (k) any defense based on lack of due diligence by Lender in collection, protection or realization upon any collateral securing the indebtedness evidenced by the Note; and (l) any other legal or equitable defenses whatsoever to which Guarantors might otherwise be entitled, including, but not limited to, a defense based on the fact that the Note is non-recourse respecting Borrower.

This is a guaranty of payment and performance and not of collection. The liability of Guarantors under this Guaranty shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against Borrower or any other person, nor against securities or liens available to Lender, its successors, successors-in-title, endorsees or assigns. Guarantors waive any right to require that an action be brought against Borrower or any other person or to require that resort be had to any security or to any balance of any deposit account

or credit on the books of Lender in favor of Borrower or any other person. In the event of a Default under the Loan Documents, or any of them, Lender shall have the right to enforce its rights, powers and remedies thereunder or hereunder or under any other instrument now or hereafter evidencing, securing or otherwise relating to the transactions contemplated hereby, in any order, and all rights, powers and remedies available to Lender in such event shall be non-exclusive and cumulative of all other rights, powers and remedies provided thereunder or hereunder or by law or in equity. Accordingly, Guarantors hereby authorize and empower Lender upon acceleration of the maturity of the Note, at its sole discretion, and without notice to Guarantors, to exercise any right or remedy which Lender may have, including but not limited to, judicial foreclosure, exercise of rights of power of sale, acceptance of a deed or assignment in lieu of foreclosure, appointment of a receiver to collect rents and profits, exercise of remedies against personal property, or enforcement of any assignment of leases, as to any security, whether real, personal or intangible. If the indebtedness guaranteed hereby is partially paid by reason of the election of Lender, its successors, endorsees or assigns, to pursue any of the remedies available to Lender, or if such indebtedness is otherwise partially paid, this Guaranty shall nevertheless remain in full force and effect, and Guarantors shall remain liable for the entire remaining balance of the indebtedness guaranteed hereby, even though any rights which Guarantors may have against Borrower may be destroyed or diminished by the exercise of any such remedy. Until all of the obligations of Borrower to Lender have been paid and performed in full, Guarantors shall have no right of subrogation to Lender against Borrower, and Guarantors hereby waive any rights to enforce any remedy which Lender may have against Borrower and any rights to participate in any security for the Note.

Guarantors hereby authorize Lender, without notice to Guarantors, to apply all payments and credits received from Borrower or from Guarantors or realized from any security in such manner and in such priority as Lender in its sole judgment reasonably shall see fit to the indebtednesses, obligations and undertakings which are the subject of this Guaranty. Lender shall, upon ten (10) days prior written notice from Guarantors, but not more than two (2) times in any given calendar year, provide Guarantors a written accounting of the application of such payments and credits.

The books and records of Lender showing the accounts between Lender and Borrower shall be admissible in evidence in any action or proceeding hereon.

Guarantors acknowledge that this Guaranty, the Note and the Loan Documents were executed and delivered in the State of Georgia and shall be governed and construed in accordance with the law of the State of Georgia.

Guarantors warrant and represent to Lender that all financial statements heretofore delivered by him to Lender are true and correct in all respects as of the date hereof.

Guarantors waive, for themselves and family, any and all homestead and exemption rights which any of them or the family of any of them may have under or by virtue of the Constitution or the laws of the United States of America or of any state as against the Guaranty, any renewal hereof, or any indebtedness represented hereby, and do transfer, convey and assign to Lender a sufficient amount of such homestead or exemption as may be allowed, including such homestead or exemption as may be set apart in bankruptcy, to pay all amounts due hereunder in full, with all costs of collection, and

do hereby direct any trustee in bankruptcy having possession of such homestead or exemption to deliver to Lender a sufficient amount of property or money set apart as exempt to pay the indebtedness guaranteed hereby, or any renewal thereof, and do hereby appoint Lender the attorney-in-fact for each of them, to claim any and all homestead exemptions allowed by law.

As security for the liabilities and obligations of Guarantors hereunder, Lender is hereby given a lien upon, security title to and security interest in all property of Guarantors of every kind and description now or hereafter in the possession or control of Lender for any reason, including all dividends, balances, credits, deposits, accounts, items and monies, distributions on or other rights in connection therewith (hereinafter referred to collectively as "Guarantors' Funds"). Subject to the notice and opportunity to cure provided for herein, Lender may at any time, or from time to time when any monetary Default or monetary Event of Default occurs hereunder, appropriate and apply toward the payment of such monetary Default or monetary Event of Default so much of the Guarantors' Funds as may be necessary to cure such monetary Default or monetary Event of Default. Lender shall not otherwise use any such Guarantors' Funds to pay down or pay off the Note or accelerated amount of the Note unless said Note has matured. Notwithstanding any other provisions contained in the foregoing portions of this paragraph, Lender shall not exercise its rights hereunder nor exercise Lender's lien, security title or security interest in any of the items described in this paragraph (except to cure the monetary Defaults or monetary Events of Default referred to in this paragraph) until a Default or Event of Default occurs under the Loan Documents or hereunder which remains uncured for the appropriate notice periods as provided for herein. Until such notice period expires, Guarantors shall be free to use, withdraw and manage all of Guarantors' funds without hindrance or interruption up to the amount necessary to cure any such Defaults; provided, however, once such Default has been cured, Guarantors shall again be free to use, withdraw and manage all of Guarantors' Funds.

This Guaranty may not be changed orally, and no obligation of Guarantors can be released or waived by Lender or any officer or agent of Lender, except by a writing signed by a duly authorized officer of Lender. This Guaranty shall be irrevocable by Guarantors until all indebtedness guaranteed hereby has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed.

All notices, demands, or requests provided for or permitted to be given pursuant to this Guaranty must be in writing and shall be deemed to have been properly given or served by personal delivery or by depositing in the United States Mail, postpaid and registered or certified, return receipt requested, and addressed to the addresses set forth below. All notices, demands and requests mailed shall be effective upon being deposited in the United States Mail; however, the time period in which a response to any notice, demand, or request must be given or cure effected, if any, shall commence to run from the date of receipt of the notice, demand, or request by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving at least thirty (30) days' written notice hereof, either party hereto shall have the right from time to time and at any time during the term of this Guaranty to change their respective addresses, and each shall have the right to specify as its

address any other address within the United States of America.
For the purposes of this Guaranty:

The address of Lender is: Bank South, N.A.
55 Marietta Street, N. W.
P. O. Box 4387
Atlanta, Georgia 30302
Attn: Joseph C. Sugg

The address of Guarantors is: Wilds L. Pierce
34 Carlton Drive
Atlanta, Georgia 30342

Georgia P. Pierce
34 Carlton Drive
Atlanta, Georgia 30342

The provisions of this Guaranty shall be binding upon Guarantors and their successors, successors-in-title, heirs, legal representatives and assigns and shall inure to the benefit of Lender, its successors, successors-in-title, legal representatives and assigns. This Guaranty shall in no event be impaired by any change which may arise by reason of the death of Borrower or Guarantors, if individuals, or by reason of the dissolution of Borrower or Guarantors, if Borrower or Guarantors is a corporation or partnership.

If from any circumstances whatsoever fulfillment of any provisions of this Guaranty, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity. The provisions of this paragraph shall control every other provision of this Guaranty.

This Guaranty is assignable by Lender, and any assignment hereof or any transfer or assignment of the Note or portions thereof by Lender shall operate to vest in any such assignee all rights and powers herein conferred upon and granted to Lender.

Notwithstanding anything stated to the contrary herein, prior to the exercise of any right granted in the Guaranty, both of the following two conditions shall have been satisfied: (a) Borrower shall have received written notice of any Event of Default which notice shall specify the Default and set forth the requirements to cure said Default; and (b) Borrower shall have failed to cure such Event of Default (i) within ten (10) days following the receipt of said written notice in the case of a monetary Default, or (ii) within fifteen (15) days following the receipt of said written notice in the case of a non-monetary Default; provided that, no such notices shall be required after the third such Event of Default in any one (1) calendar year.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty under seal as of the ____ day of _____, 1989.

GUARANTORS:

WILDS L. PIERCE (SEAL)

GEORGIA P. PIERCE (SEAL)

EXHIBIT B

MASTER NOTE

\$1,500,000.00

August 23, 1989

FOR VALUE RECEIVED, the undersigned, RAILCAR, LTD., a Georgia corporation (hereinafter referred to as "Maker"), promises to pay to the order of BANK SOUTH, N.A., a national banking association (hereinafter together with any other holder hereof referred to as the "Holder"), at Holder's offices located at 55 Marietta Street, Atlanta, Georgia 30303, or at such place as Holder may from time to time designate in writing, on demand, in lawful money of the United States, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00), or so much thereof as may be disbursed and remain outstanding from time to time under that certain "Line of Credit" opened by Holder in favor of Maker pursuant to the "Loan Agreement" hereinafter referred to, together with accrued interest from the date hereof on the unpaid principal balance hereof at the rate hereinbelow specified, payable monthly on the first day of each month, commencing October 1, 1989, and at payment or maturity.

The outstanding principal balance hereunder shall bear interest until paid in full, calculated daily on the basis of a 360-day year and actual days elapsed, at a per annum rate equal to the Prime Rate then in effect plus Seven Hundred Thirty-Five One Thousands of One Percent (.735%). For the purposes of this Note, the term "Prime Rate" shall mean the interest rate announced from time to time by Bank South, N.A. as its Prime Rate, which may not be its lowest or best interest rate offered on loans by such lender. Every change in the Prime Rate shall be effective on the date of its establishment. The rate of interest provided for herein, expressed in simple interest terms as of the date hereof (computed on the basis of the Prime Rate in effect on such date and on the basis of a 360-day year and actual days elapsed) is Eleven and 24/100ths percent (11.24%).

The outstanding principal, or any portion thereof from time to time, and all accrued unpaid interest, are payable on demand by Lender.

Maker hereby agrees to pay immediately, upon demand by Holder, a late charge equal to five percent (5%) of any payment due hereunder if such payment is not made on or before the fifth (5th) day following the due date applicable to such payment.

In no contingency or event whatsoever, shall the interest rate charged pursuant to the terms of this Note exceed the highest rate permissible under any law which a court of

competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that Holder has received interest hereunder in excess of the highest applicable rate, Holder shall promptly refund such excess interest to Maker.

This Note is issued to evidence advances under a line of credit made available pursuant to the provisions of Section 2.1 of a Loan and Security Agreement dated of even date herewith, between Bank South, N.A., and Railcar, Ltd., as Borrower, (the "Loan Agreement"), to which reference is hereby made for a statement of the terms, conditions and covenants under which the line of credit evidenced hereby was made and is to be repaid. Payment of this Note is secured, inter alia, by the Collateral (as such term is defined in the Loan Agreement), and by a deed to secure debt referred to in the Loan Agreement.

Upon and after the occurrence of an Event of Default (as defined in the Loan Agreement), the outstanding principal balance hereunder shall bear interest, calculated daily on the basis of a 360-day year for the actual days elapsed at the per annum rate set forth above, plus additional post default interest of two percent (2%) per annum until paid in full.

This Note has been executed and delivered in Atlanta, Georgia, and the loan represented hereby is to be repaid at Atlanta, Georgia. This Note shall be governed by the laws of the State of Georgia.

The Maker hereby waives presentment, demand for payment, protest and notice of protest, notice of dishonor and all other notices in connection with this Note.

WITNESS the hand and seal of the undersigned.

"MAKER"

RAILCAR, LTD.

By: _____

Its: _____

Attest: _____

Its: _____

[CORPORATE SEAL]

Maker's Principal Place of Business:

1819 Peachtree Street, N.E.
Suite 303
Atlanta, Georgia 30309

EXHIBIT C

Two hundred thirty-eight (238) 50 foot, 70 ton, Plate "B" and Plate "C" Boxcars acquired or to be acquired by Railcar, Ltd. after purchase thereof, including, without limitation, seventy-seven (77) of such cars bearing the following numbers:

ITC 7244	ITC 7357
ITC 7246	ITC 7364
ITC 7251	ITC 7365
ITC 7256	ITC 7368
ITC 7257	ITC 7370
ITC 7261	ITC 7373
ITC 7264	ITC 7374
ITC 7265	ITC 7375
ITC 7266	ITC 7381
ITC 7269	ITC 7385
ITC 7272	ITC 7388
ITC 7280	ITC 7389
ITC 7283	ITC 7395
ITC 7290	ITC 7399
ITC 7291	ITC 7400
ITC 7292	ITC 7407
ITC 7293	ITC 7411
ITC 7294	ITC 7415
ITC 7296	ITC 7416
ITC 7309	ITC 7417
ITC 7311	ITC 7421
ITC 7313	ITC 7422
ITC 7317	ITC 7425
ITC 7320	ITC 7429
ITC 7321	ITC 7433
ITC 7327	ITC 7435
ITC 7328	ITC 7437
ITC 7330	ITC 7438
ITC 7332	ITC 7445
ITC 7333	ITC 7449
ITC 7334	ITC 7451
ITC 7337	ITC 7454
ITC 7345	ITC 7457
ITC 7346	ITC 7473
ITC 7348	ITC 7480
ITC 7350	ITC 7482
ITC 7352	ITC 7486
ITC 7355	ITC 7487
	ITC 7488

6874N

Handwritten initials/signature

DRAW REQUEST NO. _____

DATED: _____

NAME OF BORROWER: RAILCAR, LTD.

PERIOD: _____, 19__ to _____, 19__

PROJECT: PURCHASE/REPAIR OF RAIL CARS

The undersigned Borrower does hereby certify the following, as of the date hereof: that all items for which previous certificates were issued and advances received have been paid; that all labor and materials for which this advance will pay, if any, and for which previous advances have been paid, have gone into the purchase or improvement or repair to the Rail Cars, as defined in the Loan Agreement, that the warranties and representations of Borrower in the Loan and Security Agreement (the "Loan Agreement") are hereby ratified and confirmed; that there is no Default under the Loan Agreement; that there are no offsets, counterclaims or defenses against the indebtedness which is the subject of the Loan Agreement or any instrment evidencing, securing or otherwise concerning such indebtedness; that there are no liens of record against the Rail Cars and arising out of the supplying of labor, material and/or services in connection with repairs thereto and that no party other than Borrower and Lender owns or claims, or has a right to claim, any interest in or lien or encumbrance on, the Rail Cars (except for liens or rights to liens to be dissolved upon payment of the advance hereby requested).

ITEM	(1) LOAN BUDGET	(2) FUNDS PREVIOUSLY DISBURSED	(3) = (1-2) FUNDS AVAILABLE FOR DISBURSEMENT	(4) CURRENT FUNDS REQUEST	(5) = (2+4) TOTAL FUNDS DISBURSED	(6) = (1-5) FUNDS REMAINING AFTER THIS DISBURSEMENT
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

TOTAL

The undersigned does hereby certify, if this Draw Request is for the payment for repairs to the Rail Cars, that such Rail Cars have been properly inspected and have been rebuilt in accordance with the Purchase Order with Kustom Carr Corporation and specifically, in accordance with Rule 88 of Rules of the Interchange Association of American Railroads; and if this Draw Request is for the purchase of Rail Cars, that such cars have been inspected and found to be in compliance with the terms and conditions of the purchase order(s) and bill(s) of sale relating to such purchase.

Sworn to and subscribed before me this ____ day of _____, 19__.

Notary Public

BORROWER: _____

By: _____
Borrower's Authorized Representative

EXHIBIT D

EXHIBIT E

SUBORDINATION OF LIEN AND LIEN RIGHTS

WHEREAS, the undersigned on behalf of Kustom Karr Corporation, (hereinafter referred to as the "Kustom") has contracted to furnish labor, services, and/or materials (hereinafter collectively referred to as the "Work") in connection with the repairs, refurbishment and improvements to be made to certain personal property being more particularly described in Exhibit "A" attached hereto and by reference made a part hereof, and being hereinafter referred to as the "Property"; and

WHEREAS, BANK SOUTH, N.A., a national banking association (hereinafter referred to as "Lender") has made, or is about to make, a loan to RAILCAR, LTD., a Georgia Corporation (hereinafter referred to as "Owner") secured by said Property;

NOW, THEREFORE, for and in consideration of the sum of TEN (\$10.00) DOLLARS in hand paid by Owner to Kustom, and for other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, and in order to induce the making of the above mentioned loan, Kustom does hereby:

(a) Subordinate any lien or right to a lien of Kustom (whether now existing or hereafter arising) on or against said Property to the lien, security interest and title of Lender in and to said Property (as granted to Lender by the documents evidencing and securing the above mentioned loan) on account of Work furnished or to be furnished by Kustom for the repairs and improvements to said Property prior to or after the date hereof; and

(b) Warrant and represent that any and all parties who have supplied Work to Kustom for repairs or improvements of said Property occurring prior to the date hereof, have been paid in full all amounts accrued by virtue of such Work through and including the date hereof; and

(c) Warrant and represent that Kustom (or the individual executing this instrument on behalf of Kustom) has personal knowledge of the matters herein stated, and is authorized and fully qualified to execute this instrument as or on behalf of Kustom; and

(d) Covenant and agree that this instrument is made by Kustom with full knowledge and understanding that its purpose is to cause a subordination of all lien rights of Kustom now existing or hereafter arising from the Work, pursuant to the statutes of the State of Florida, or otherwise, including without limitation, all liens of laborers, mechanics and materialmen, arising under and pursuant to Chapter 713 of the Florida Statutes Annotated.

WITNESS the hand and seal of Kustom, this ____ day
of _____, 1989.

Signed, sealed and delivered
in the presence of:

KUSTOM KARR CORPORATION

BY: _____

Unofficial Witness

ATTEST: _____

Notary Public
My Commission expires: _____

(CORPORATE SEAL)

[NOTARY SEAL]

EXHIBIT "A"

Not less than two hundred thirty-eight (238) 50 foot, 70 ton, Plate "B" and Plate "C" Boxcars to be delivered to Kustom by Railcar, Ltd. after purchase from Norfolk and Western Railway Company, including, without limitation, seventy-seven (77) of such cars bearing the following numbers:

ITC 7244	ITC 7357
ITC 7246	ITC 7364
ITC 7251	ITC 7365
ITC 7256	ITC 7368
ITC 7257	ITC 7370
ITC 7261	ITC 7373
ITC 7264	ITC 7374
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ITC 7333	ITC 7449
ITC 7334	ITC 7451
ITC 7337	ITC 7454
ITC 7345	ITC 7457
ITC 7346	ITC 7473
ITC 7348	ITC 7480
ITC 7350	ITC 7482
ITC 7352	ITC 7486
ITC 7355	ITC 7487
	ITC 7488

6874N

EXHIBIT F

WAIVER AND SUBORDINATION OF LIEN AND LIEN RIGHTS

WHEREAS, the undersigned on behalf of Kustom Karr Corporation, (hereinafter referred to as the "Kustom") has furnished or has contracted to furnish labor, services, and/or materials (hereinafter collectively referred to as the "Work") in connection with the repairs, refurbishment and improvements to certain personal property being more particularly described in Exhibit "A" attached hereto and by reference made a part hereof, and being hereinafter referred to as the "Property"; and

WHEREAS, BANK SOUTH, N.A., a national banking association (hereinafter referred to as "Lender") has made, or is about to make, a loan to RAILCAR, LTD., a Georgia Corporation (hereinafter referred to as "Owner") secured by said Property, and has made, or is about to make, a disbursement to Owner under said loan;

NOW, THEREFORE, for and in consideration of the sum of TEN (\$10.00) DOLLARS in hand paid by Owner to Kustom, and for other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, and in order to induce the making of the above mentioned loan, Kustom does hereby:

(a) Waive and release any lien or right to a lien of Kustom whether now existing or hereafter arising, on or against said Property on account of Work furnished or to be furnished by Kustom for the repairs and improvements to said Property prior to or after the date hereof; and

(b) Subordinate any lien or right to a lien of Kustom on or against said Property to the lien and title of Lender in and to said Property (as granted to Lender by the documents evidencing and securing the above mentioned loan) on account of Work furnished or to be furnished by Kustom for the repairs and improvements to said Property prior to or after the date hereof; and

(c) Warrant and represent that any and all parties who have supplied Work to Kustom for repairs or improvements of said Property occurring prior to the date hereof, have been paid in full all amounts accrued by virtue of such Work through and including the date hereof; and

(d) Warrant and represent that Kustom (or the individual executing this instrument on behalf of Kustom) has personal knowledge of the matters herein stated, and is authorized and fully qualified to execute this instrument as or on behalf of Kustom; and

(e) Covenant and agree that this instrument is made by Kustom with full knowledge and understanding that its purpose is to cause a waiver and subordination of all lien rights of Kustom now existing or hereafter arising from the work, pursuant to the statutes of the State of Florida, or otherwise, including without limitation, all liens of laborers, mechanics and materialmen, arising under and pursuant to Chapter 713 of the Florida Statutes Annotated.

WITNESS the hand and seal of Kustom, this ____ day of _____, 1989.

Signed, sealed and delivered in the presence of:

KUSTOM KARR CORPORATION

BY: _____

Unofficial Witness

ATTEST: _____

(CORPORATE SEAL)

Notary Public
My Commission expires:

[NOTARY SEAL]

EXHIBIT "A"

Not less than two hundred thirty-eight (238) 50 foot, 70 ton, Plate "B" and Plate "C" Boxcars to be delivered to Kustom by Railcar, Ltd. after purchase from Norfolk and Western Railway Company, including, without limitation, seventy-seven (77) of such cars bearing the following numbers:

ITC 7244
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ITC 7350
ITC 7352
ITC 7355

ITC 7357
ITC 7364
ITC 7365
ITC 7368
ITC 7370
ITC 7373
ITC 7374
ITC 7375
ITC 7381
ITC 7385
ITC 7388
ITC 7389
ITC 7395
ITC 7399
ITC 7400
ITC 7407
ITC 7411
ITC 7415
ITC 7416
ITC 7417
ITC 7421
ITC 7422
ITC 7425
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ITC 7433
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ITC 7488