

Wachovia Bank, N.A.  
Post Office Box 4148  
Atlanta, Georgia 30302

May 12, 1998

Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary:

I have enclosed an original and one counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This is a Security Agreement pledging the property as security on a loan, a primary document, dated May 6, 1998.

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

PLEDGOR: M. B. C. X. Leasing, L.L.C.  
510 Janice Drive  
Fayetteville, GA 30214

LENDER: Wachovia Bank, N.A.  
620 No. Jeff Davis Dr.  
Fayetteville, GA 30214

A description of the equipment covered by the document follows:

Three (3) SW1200 Locomotives with AAR designations of MBX 301; MBX 302; and MBX 303

Sixteen (16) 100-ton long log bulkhead flat cars with AAR designations ATW 3006; ATW 3007; ATW 3008; ATW 3009; ATW 3010; ATW 3011; ATW 3012; ATW 3013 ATW 3014; ATW 3015; ATW 3016; ATW 3017; ATW 3018; ATW 3019; and ATW 3020

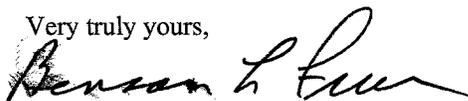
A fee of ~~\$24.00~~ <sup>26.00</sup> is enclosed. Please return the original and any extra copies not needed for recordation to:

B. L. Freeman  
Wachovia Bank, N.A.  
620 No. Jeff Davis Dr.  
Fayetteville, GA 30214

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

A Security Agreement between M. B. C. X. Leasing, L.L.C. (Pledgor) at 510 Janice Dr., Fayetteville, GA 30214 and Wachovia Bank, N.A. (Lender) at 620 No. Jeff Davis Dr., Fayetteville, GA 30214 covering three (3) SW1200 locomotives AAR numbers MBCX 301 – 303 and sixteen (16) 100-ton long log bulkhead flat cars with AAR numbers ATW 3006 – 3020.

Very truly yours,



Benson L. Freeman  
Vice President

WACHOVIA

RECORDATION NO. 21442 FILED

JUN 2 '98

8-55 AM

8 55 AM '00

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

## Security Agreement for Equipment Collateral

JUN 2 '98

8-55 AM

May 6

1998

## 1. Title, Lien and Security Interest.

M. B. C. X. Leasing, LLC (hereinafter referred to as "Pledgor"), for value received and in consideration of extensions of credit as may from time to time be made by Wachovia Bank, N.A. (hereinafter referred to as "Lender") to Pledgor, either directly or indirectly, or to any person or entity in which Pledgor has a direct or indirect interest or by which Pledgor will benefit and for One Dollar (\$1.00) and other good and valuable consideration, paid by Lender to Pledgor, the receipt and sufficiency of which is acknowledged, hereby assigns, pledges and conveys to Lender, a continuing, general primary lien upon and security interest and title in and to the following property of Pledgor, now existing or hereafter acquired or arising, wherever located, namely:

## (a) (Check Box Beside Applicable Provision)

(1) all equipment and fixtures, including without limitation, all machinery, computer equipment, furniture, furnishings, leasehold improvements, and motor vehicles and dies and tools used or useful in Pledgor's business and all replacements thereof or substitutes therefor and all accessories, additions, attachments and other goods now or hereafter affixed thereto or used in connection therewith (hereinafter collectively referred to as the "Equipment Collateral");

or

(2) all that equipment set forth and described in Exhibit "A" and all replacements thereof or substitutes therefor and all accessories, additions, attachments and other goods now or hereafter affixed thereto or used in connection therewith (hereinafter collectively referred to as the "Equipment Collateral");

(b) all returned or unearned premiums from any insurance on any of the Equipment Collateral;

(c) to the extent not prohibited by law, (i) all other property of the Pledgor of every kind or description now or hereafter in the possession or control of the Lender, exclusive of any such property in the possession or control of the Lender as a fiduciary other than as agent, for any reason including, without limitation, all cash, stock, or other dividends and all proceeds thereof, and all rights to subscribe for securities incident thereto and any substitutions or replacements for, or other rights in connection with, any of the Equipment Collateral and (ii) any balance or deposit accounts of the Pledgor, whether such accounts be general or special, or individual or multiple party, and upon all drafts, notes, or other items deposited for collection or presented for payment by the Pledgor with the Lender, exclusive of any such property in the possession or control of the Lender as a fiduciary other than as agent, and the Lender may at any time, without demand or notice, appropriate and apply any of such to the payment of any of the Obligations (as hereinafter defined), secured hereby, whether or not due; and

(d) all products and/or proceeds of any and all of the foregoing, including without limitation, insurance proceeds (hereinafter the property referred to in (a) through and including (d) above collectively referred to as the "Collateral"). As used in this Agreement, the term "Obligor" shall mean any endorser, surety or guarantor of the Obligations (as defined in this Agreement).

## 2. Obligations Secured.

This Agreement is made to secure all indebtedness, liabilities, and obligations of Pledgor to Lender whatsoever, whether existing as of the date hereof or hereafter arising, and whether direct, indirect, absolute or contingent, joint or several, as maker, endorser, guarantor, surety or otherwise, including without limiting the generality of the foregoing, (i) any indebtedness, liability or obligation of Pledgor to Lender for any credit extended to Pledgor by Lender prior to the date hereof, and any and all extensions or renewals thereof in whole or in part, and (ii) any indebtedness, liability or obligation of Pledgor to Lender under any later or future advances or loans made by Lender to Pledgor, and any and all extensions or renewals thereof in whole or in part (hereinafter collectively referred to as the "Obligations"), except for other indebtedness, obligations and liabilities owing to Lender that constitute (a) consumer credit as defined in Federal Reserve Board Regulation Z or (b) non-consumer credit if under applicable state law the maximum interest rate for such credit is reduced when secured.

[Fill in blank below if the obligations secured by this Agreement are to include all indebtedness of a person or entity other than Pledgor and Pledgor is not obligated to Lender directly as a co-maker or indirectly as a guarantor or endorser with respect to that indebtedness.] The term "Obligations" shall also include all indebtedness, liabilities and obligations of N/A

("Borrower") to Lender whatsoever, whether existing as of the date hereof or hereafter arising, whether such indebtedness, obligations or liabilities are direct, indirect, absolute or contingent, joint or several, and whether incurred by Borrower as maker, endorser, guarantor, surety or otherwise. If a Borrower is named herein, Pledgor consents that, at any time, and from time to time, either with or without consideration, the whole or any part of any security now or hereafter held for any Obligations may be exchanged, compromised, or surrendered; the time or place of payment of any Obligations or of any security therefor may be changed or extended, in whole or in part, to a time certain or otherwise, and may be renewed or accelerated, in whole or in part; Borrower may be granted indulgences generally; any of the provisions of any note or other instrument evidencing any Obligations or any security therefor may be modified or waived; any party liable for the payment thereof may be granted indulgences or released; the death, termination of existence, bankruptcy, insolvency, incapacity, lack of authority or disability of Borrower or Obligor shall not affect the obligations of Pledgor hereunder and no claim need be asserted against the personal representative, guardian, custodian, trustee or debtor in bankruptcy or receiver of any deceased, incompetent, bankrupt or insolvent Borrower or Obligor; any deposit balance to the credit of Borrower, Obligor or any party liable upon any security therefor may be released, in whole or in part, at, before and/or after the stated, extended or accelerated maturity of any Obligations; and Lender may release, discharge, compromise or enter into any accord and satisfaction with respect to any Collateral for the Obligations, or the liability of the Borrower or Obligor, all without notice to or further assent by Pledgor, who shall remain bound hereon, notwithstanding any such exchange,

compromise, surrender, extension, renewal, acceleration, modification, indulgence, release, discharge or accord and satisfaction. Further, Pledgor expressly waives: (i) notice of acceptance of this Agreement and all extensions or renewals of credit or other financial accommodations to Borrower; (ii) presentment and demand for payment of any of the Obligations; (iii) protest and notice of dishonor or of default to Borrower, Obligor or to any other party with respect to any of the Obligations or with respect to any security therefor; (iv) any invalidity or disability in whole or in part at the time of the acceptance of, or at any time with respect to, any security for the Obligations or with respect to any party primarily or secondarily liable for the payment of the Obligations to Lender; (v) the fact that any security for the Obligations may at any time or from time to time be in default or be inaccurately estimated or may deteriorate in value for any cause whatsoever; (vi) any diligence in the creation or perfection of a security interest or collection or protection of or realization upon the Obligations or any security therefor, any liability hereunder, or any party primarily or secondarily liable for the Obligations or any lack of commercial reasonableness in dealing with any security for the Obligations; (vii) any duty or obligation on the part of Lender to ascertain the extent or nature of any security for the Obligations, or any insurance or other rights respecting such security, or the liability of any party primarily or secondarily liable for the Obligations, or to take any steps or action to safeguard, protect, handle, obtain or convey information respecting, or otherwise follow in any manner, any such security, insurance or other rights; (viii) any duty or obligation of Lender to proceed to collect the Obligations from, or to commence an action against, Borrower, Obligor, or any other person, or to resort to any security or to any balance of any deposit account or credit on the books of Lender in favor of Borrower, Obligor, or any other person despite any notice or request of Pledgor to do so; (ix) to the extent not prohibited by law, all rights of redemption, stay, appraisal, or rights which would deny Lender a deficiency judgment which Pledgor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted; (x) except as otherwise expressly provided herein, all other notices to which Pledgor might otherwise be entitled; (xi) any defense as to invalidity or unenforceability of any Obligation; (xii) all rights of subrogation, indemnity, reimbursement or other claims against Borrower and all rights of recourse against any property of Borrower arising out of or related to any application of the proceeds of the Collateral to reduce the amount owing by Borrower under the Obligations; and (xiii) any other legal or equitable defenses whatsoever to which Pledgor might otherwise be entitled (xiv) any rights of Pledgor pursuant to Official Code of Georgia Section 10-7-24 or any similar or subsequent law. In addition, Pledgor hereby agrees and acknowledges that Lender, Borrower and Obligor have not made any representations or warranties with respect to: (a) Borrower or Obligor or the financial condition or solvency of Borrower or Obligor, or (b) the value or nature of any Collateral in which the Lender may have been granted a security interest.

### 3. General Representations, Warranties and Covenants as to Collateral.

(a) Pledgor represents and warrants to Lender (which representations and warranties shall be deemed to be renewed as of the date of each renewal or extension of credit under any of the Obligations) that:

(1) Pledgor is the sole owner of the Collateral, free and clear of all security interests, liens and encumbrances whatsoever, other than those evidenced by this Agreement.

(2) No financing statements or other evidences of the grant of a security interest respecting all or any portion of the Equipment Collateral are on file on any public record, other than financing statements permitted by this Agreement.

(3) All the Equipment Collateral is located at the address(es) indicated in Sections 4(b)(1) and (3) herein ("Collateral Locations").

(b) Pledgor will not sell, lease, assign, transfer, encumber, grant any other security interest in, abandon or otherwise dispose of the Equipment Collateral, or any portion thereof, without prior written consent from Lender; provided, however, that with notice to, but without the necessity of consent of Lender, from time to time hereafter, in the ordinary course of Pledgor's business, Pledgor may sell, exchange or dispose of portions of its Equipment Collateral which are obsolete, worn-out or unsuitable for continued use by Pledgor if such equipment is replaced promptly upon its disposition with equipment constituting Equipment Collateral having a market value equal to or greater than the Equipment Collateral so disposed of and in which Lender shall obtain and have a first priority security interest in pursuant hereto.

(c) Pledgor will not locate all or any portion of the Equipment Collateral at any location other than the Collateral Locations without the prior written consent of Lender.

(d) Pledgor will maintain insurance on the Equipment Collateral in amounts at least equal to the fair market value of the Equipment Collateral and against casualty, public liability and property damage risks and such other risks as Lender may request. All insurance shall be with reputable companies with a *Best Insurance Report* Rating of B+ or better, and Pledgor will pay all premiums for insurance when due. Unless and until requested by Lender, Pledgor shall not be required to name Lender as additional insured in such policy or to provide Lender a copy of the policy for or certificate evidencing such insurance, but when and if requested by Lender, the Pledgor shall immediately (but no later than five (5) calendar days) (i) cause all policies of such insurance to specify that Lender is an additional insured as its interests may appear and to provide that such insurance shall not be cancellable by Pledgor or the insurer without at least 30 days advance written notice to Lender and that proceeds are payable to Lender regardless of any act or omission of Borrower, Obligor or Pledgor which would otherwise result in a denial of a claim; and (ii) deliver all policies or certificates thereof (with copies of such policies) to Lender. In the event any or all insurance hereinbefore provided for is cancelled, any returned premium thereon may be collected by Lender and applied by Lender to any part of the Obligations, whether matured or unmatured. Lender is authorized to receive the proceeds of any insurance loss and at the option of Lender shall apply such proceeds toward either the repair or replacement of the Collateral or the payment of the Obligations secured hereby. The loss, injury or destruction of said Collateral, with or without the fault of Pledgor, shall not release the Pledgor from any liability hereunder or in any way affect Pledgor's liability hereunder.

(e) Pledgor will pay all taxes and other charges against the Equipment Collateral.

(f) Pledgor will not (i) use the Equipment Collateral illegally, (ii) allow the Equipment Collateral to become encumbered except for the security interest in favor of Lender granted herein, or (iii) permit anything to be done that may impair the value of the Equipment Collateral as security to the Lender.

(g) Pledgor shall keep the Equipment in good condition and repair, reasonable wear and tear excepted and the Equipment Collateral shall at all times remain personal property.

(h) Lender or any persons designated by it shall have the right to call at Pledgor's place or places of business at any reasonable time and without hindrance or delay to inspect the Equipment Collateral. From time to time upon Lender's request, Pledgor shall furnish to Lender at Pledgor's expense a complete list including location and description of each item of the Equipment Collateral.

(i) Pledgor will sign such financing statements, certificates of title and titled vehicle lien application registration forms and other documents, in form satisfactory to Lender, which Lender may at any time wish to file in order to perfect or maintain perfection of its security interest in the Collateral or any other property at any time hereafter pledged by Pledgor to Lender and shall reimburse Lender for the costs of filing same. Pledgor will execute

and/or deliver to Lender any instrument, invoice, document, assignment or other writing or do such other acts which may be necessary or appropriate, in the sole judgment of Lender, to carry out the terms of this Agreement, and to perfect its security interest in the Collateral, the proceeds thereof, and any other property constituting security to Lender, including, without limitation, deposit with Lender of any certificate of title issuable with respect to any of the Collateral and notation thereon of the security interest hereunder. Pledgor has procured and hereafter will procure from every owner, landlord and grantee of any mortgage as the case may be, having or claiming any interest in the real property upon which all or any of the Equipment Collateral is now or may hereafter be located, a waiver of such owner's, landlord's or grantee's interest in the Equipment Collateral in a form satisfactory to Lender.

(j) To the extent, if any, Pledgor shall have advised Lender that any of the Collateral is being acquired with the proceeds of any loan from Lender to Pledgor such proceeds may be disbursed by Lender directly to the seller of the Collateral, or to the seller and Pledgor jointly, or Pledgor agrees to pay the seller within ten days from the receipt of the loan proceeds.

(k) If Pledgor fails to perform any of Pledgor's duties and obligations under this agreement, Lender may, at its option, but without obligation, perform such duty or obligation and any costs, fees and expenses incurred by Lender in connection therewith shall be payable by Pledgor on Lender's demand for same. In connection therewith, Pledgor hereby designates, appoints and empowers Lender irrevocably, at Pledgor's cost and expense, to do in the name of Pledgor any and all actions which Lender may deem necessary or advisable to carry out the terms hereof upon the failure, refusal or inability of Pledgor to do so and Pledgor hereby agrees to indemnify and hold Lender harmless from any costs, damages, expenses or liabilities arising against or incurred by Lender in connection therewith.

#### 4. General Representations, Warranties and Covenants of Pledgor.

Pledgor represents, warrants and covenants with Lender (which representations, warranties and covenants shall be deemed to be renewed and reaffirmed as of the date of each renewal or extension of credit under any of the Obligations) that:

(a) Pledgor's legal name is the name filled in on the appropriate line of the execution page of this Agreement and the following is a list of any and all prior names used by Pledgor during all or any part of the ten year period immediately preceding the date of this Agreement (If no other names have been used, so state).

Other Legal Names N/A

(b) (1) Pledgor's chief executive office (or, if an individual/sole proprietor, principal residence) within the State of Georgia is located at:

Street Address	City	County
510 Janice Drive	Fayetteville	

(2) The following is a list of all other locations of Pledgor's chief executive office or principal place of business (or, if an individual/sole proprietor, principal residence) during all or any part of the ten year period immediately preceding the date of this Agreement (If no other locations have been used, so indicate):

Street Address	City	County
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(3) In addition to Pledgor's location as set forth in Section 4(b)(1) above, the following is a list of all locations where Pledgor keeps the Equipment Collateral and the record owner or lessee of such locations:

Street Address	City	County	State	Record Owner or Lessee
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(c) Pledgor will promptly advise Lender in writing of any change in the name, identity or structure of Pledgor or any change of the Collateral Locations, or the opening of new places of business, or the closing of any of Pledgor's existing places of business.

(d) Lender or any persons designated by it shall have the right to call at Pledgor's place or places of business at any reasonable time and without hindrance or delay to inspect, audit, check and make extracts from Pledgor's books, records, journals, orders, receipts and any correspondence and other data relating to Pledgor's business or of any other transactions between the parties hereto.

(e) Pledgor has the power to make, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance of this Agreement. This Agreement is the valid obligation of Pledgor, legally binding upon Pledgor and enforceable in accordance with its terms. No consent or approval of any other person or entity (including any shareholders, directors or partners of Pledgor, as applicable) and no consent, license, approval or authorization of any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity and enforceability of this Agreement. The undersigned is duly authorized and empowered to execute this Agreement for and on behalf of Pledgor.

(f) [Fill in blank if applicable]. Pledgor is a corporation duly organized for profit, validly existing and in good standing under the laws of the State of N/A

#### 5. Events of Default, Acceleration and Remedies.

The following items (a) through and including (h) below shall constitute Events of Default:

(a) Any failure to make any payments of principal or of interest on any of the Obligations to Lender when due or to observe or perform any agreement, covenant or promise hereunder or in any other agreement, note, instrument or certificate of Pledgor, Obligor or Borrower to the Lender, now existing or hereafter executed in connection with any of the Obligations or the granting of a security interest in property to secure the Obligations, including, but not limited to, a loan agreement, if applicable, a security agreement and any agreement guaranteeing payment of any of the Obligations.

(b) Any default of Pledgor, Obligor or Borrower in the payment or performance of any other liabilities, indebtedness or obligations to Lender or any other creditor or to allow or permit any other liabilities, indebtedness or obligations to Lender or any other creditor to be accelerated.

(c) Any failure of Pledgor, Obligor or Borrower to furnish Lender current financial information upon request or as required under any other agreement with Lender.

(d) Any representation or warranty made in this Agreement or in connection with the extension of credit evidenced by any Obligation or in any certificate, financial or other statement furnished at any time hereunder or in connection with this Agreement or the extension of credit evidenced by any Obligation proving to have been untrue in any material respect when made or furnished.

(e) Any discontinuance or termination of any guaranty of any of the Obligations by a guarantor.

(f) The dissolution, change of control, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws, state or federal, by or against Pledgor, Obligor or Borrower.

(g) Any loss, theft, substantial damage, destruction, sale, foreclosure of or encumbrance to any of the Collateral or any part of any property securing the Obligations, or the making of any levy, seizure or attachment thereof or thereon or the rendering of any judgment or lien or garnishment or attachment against Pledgor, Obligor or Borrower or his property whether actual or threatened.

(h) Lender, at any time and in good faith, deeming itself insecure. For purposes of this Agreement, Lender shall be entitled to deem itself insecure when some event occurs, fails to occur or is threatened or some objective condition exists or is threatened, which significantly impairs the prospects that any of the Obligations will be paid when due or which significantly affects the financial or business condition of Pledgor, Obligor or Borrower in an adverse manner, or the Collateral or any other property securing the Obligations or any substantial portion thereof is in danger of misuse, misappropriation or confiscation.

Upon the occurrence or existence of any Event of Default, or at any time thereafter (such default not having been previously cured), to the extent permitted by law, Lender, at its option, may refuse any further requests for advances to Pledgor or Borrower and/or declare all of the Obligations to be immediately due and payable whereupon the same shall become immediately due and payable without presentment, demand, protest, notice of non-payment or any other notice required by law relative thereto, all of which are hereby expressly waived by Pledgor, anything contained herein to the contrary notwithstanding. If a note constituting any of the Obligations shall be a demand instrument, however, the recitation of the right of Lender to declare any and all Obligations to be immediately due and payable, which is contained in this Agreement, as well as the recitation of the above events permitting Lender to declare all Obligations due and payable, shall not constitute an election by Lender to waive its right to demand payment under a demand note at any time and in any event, as Lender in its discretion may deem appropriate.

In addition, upon the occurrence of any of the above Events of Default and at any time thereafter (such default not having previously been cured) or on or after demand for payment of any of the Obligations, Lender shall have the remedies of a secured party under the Uniform Commercial Code of the State of Georgia as amended from time to time (the "Code") (regardless of whether the Code has been enacted in the jurisdiction where the rights or remedies are asserted) including, without limitation thereto, the right to take possession of the Collateral or the proceeds thereof, to sell or otherwise dispose thereof, to apply the proceeds to any of the Obligations, and to sign or endorse in the name of Pledgor any transfer, conveyance or instrument necessary to accomplish these purposes. In connection therewith, Pledgor hereby irrevocably designates and appoints Lender its true and lawful attorney to do in the name of Pledgor or in the name of Lender any and all actions which Lender may deem necessary or advisable to carry out the terms hereof, including, without limitation, the execution of any documents necessary to transfer any certificates of title. Lender may enter the premises in which the Collateral or any records representing Collateral may be situated and remove the same therefrom without being liable in any way to Pledgor. Lender may require Pledgor to assemble the Collateral and make the Collateral available to the Lender at a place to be designated by the Lender. Lender shall give Pledgor written and reasonable notice of the time and place of any public sale of the Collateral or of the time after which the private sale of the Collateral or other intended disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, or otherwise given to Pledgor at the last address shown on Lender's records at least five days before such disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Lender's reasonable attorneys' fees and legal expenses. The rights of Lender specified herein shall be in addition to, and not in limitation of its rights under the Code, or under any other statute or rule of law conferring rights similar to those conferred by the Code, and under the provisions of any other instrument or agreement executed by Pledgor or Borrower. Any rights or remedies of Lender may be exercised or taken in any order or sequence whatsoever at the sole option of Lender.

## 6. Miscellaneous.

(a) **Timeliness of Performance.** Time is of the essence.

(b) **Survival.** All representations, warranties and covenants made herein shall survive the execution and delivery of the Obligations and any other agreement hereunder.

(c) **Cumulative Rights.** The rights, powers, and remedies of Lender under this Agreement shall be in addition to all rights, powers, and remedies given to Lender by virtue of any statute or rule of law, any agreements, instruments or documents evidencing or securing the Obligations ("Credit Documents") or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Lender's security interest in the Collateral.

(d) **Waiver.** Any waiver, forbearance or failure or delay by Lender in exercising any right, power, or remedy shall not preclude the further exercise thereof, and every right, power, or remedy of Lender shall continue in full force and effect until such right, power or remedy is specifically waived in a writing executed by Lender. Pledgor waives any right to require Lender to proceed against any person or to exhaust any Collateral or to pursue any remedy in Lender's power.

(e) **Setoff.** Pledgor agrees that Lender may exercise its rights of setoff with respect to the Obligations in the same manner as if the Obligations were unsecured.

(f) **Binding Upon Successors.** All rights of Lender under this Agreement shall inure to the benefit of Lender's successors and assigns, and all obligations of Pledgor shall bind Pledgor's heirs, executors, administrators, successors, and assigns.

(g) **Entire Agreement; Severability.** This Agreement contains the entire agreement between Lender and Pledgor regarding the subject matter hereof. If any of the provisions of this Agreement shall be held invalid or unenforceable, this Assignment shall be construed as if not containing those provisions, and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

(h) **References.** The singular includes the plural. If more than one person executes this Agreement, the term Pledgor shall be deemed to infer to each of the undersigned persons as well as to all of them, and their obligations and agreements hereunder shall be joint and several.

(i) **Choice of Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Georgia, without giving effect to choice of law rules, and, where applicable and except as otherwise defined herein, terms used herein shall have the meanings given them in the Uniform Commercial Code of such state.

(j) **Amendment.** This Agreement may not be amended or modified except by a writing signed by each of the parties hereto.

(k) **Continuing Effect.** This Agreement shall remain in full force and effect until all of the Obligations to Lender have been indefeasibly paid in full and such payments are no longer subject to rescission, recovery or repayment upon the bankruptcy, insolvency, reorganization, moratorium, receivership or similar proceeding affecting Borrower or Obligor, until Lender shall not be obligated to extend any further Obligations and until Lender has terminated the Credit Documents and this Agreement in writing.

IN WITNESS WHEREOF, Pledgor and Lender have caused this Security Agreement to be signed under seal as of the day and year first above written.

If Pledgor is a Corporation/LLC:

M. B. C. X. Leasing, LLC  
Name of Corporation/LLC  
By: Walter J. Couch (SEAL)  
Title: Walter J. Couch, Member  
Attest: \_\_\_\_\_  
Sec/Asst. Sec.

Signed, sealed and delivered in the presence of:

Berman L. Green  
Unofficial Witness

Diana L. Salzhadit  
Notary Public

Commission Expiration Date:  
(NOTARIAL SEAL)  
Notary Public, Fayette County, Georgia  
My Commission Expires February 14, 1999

Wachovia Bank, N.A.  
By: Berman L. Green  
Title: ITS VICE PRESIDENT

I, Walter J. Couch, certify that I am the owner/manager of M. B. C. X. Leasing, a Limited Liability Company under the laws of the State of Georgia, that the forgoing instrument was signed under seal on behalf of the company by authority of its organizational papers, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the company. I further declare, certify, and state under penalty of perjury that the foregoing is true and correct.

Executed this 29 day of MAY, 1998  
Walter J. Couch

*Description of Equipment Collateral*

**Three (3) SW1200 Locomotives**

**AAR Numbers MBCX 301; MBCX 302; and MBCX 303**

**Sixteen (16) Long log bulkhead (railroad) flat cars**

**AAR Numbers ATW 3006; ATW 3007; ATW 3008; ATW 3009; ATW 3010; ATW 3011; ATW 3012; ATW 3013; ATW 3014; ATW 3015; ATW 3016; ATW 3017; ATW 3018; ATW 3019; ATW 3020; and ATW 3021.**

 Initial