BINGHAM, DANA & GOULD LLP
150 FEDERAL STREET
BOSTON, MASSACHUSETTS 02110-1726
TEL: 617.951.8000
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April 25, 1996

20033

APR 26 10 48 AM '96

RECEIVED
SURFACE TRANSPORTATION BOARD

BY MESSENGER

Surface Transportation Board
Room 2311
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Secretary

Ladies and Gentlemen:

Enclosed for recording with the Surface Transportation Board pursuant to Section 11303 of Title 49 of the U.S. Code are one original and one copy of the fully executed, notarized document described below.

This document is a Security Agreement and Assignment, a primary document dated as of April 25, 1996, between C. K. Industries, Inc. (the "Debtor") and The First National Bank of Boston (the "Secured Party"), covering certain of the Debtor's rolling stock and certain other properties and rights of the Debtor. A description of the rolling stock is attached to the Security Agreement and Assignment as Exhibit A.

The names and addresses of the parties to the Security Agreement and Assignment are as follows: the Debtor is C. K. Industries, Inc., whose chief executive office is located at 1348 Greenland Trace, Deland, Florida 32720; the Secured Party is The First National Bank of Boston, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

Included in the property covered by the aforesaid Security Agreement and Assignment are 88 covered hopper railcars intended for use related to interstate commerce, or interests therein (including without limitation all leases relating to such rolling stock), owned by the Debtor at the date of said Security Agreement and Assignment.

Robert J. Hamel Counterparts

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

"A Security Agreement and Assignment dated as of April 25, 1996, between C. K. Industries, Inc., and The First National Bank of Boston, as the secured party, covering certain of the debtor's rolling stock and related interests. A description of the rolling stock is attached to the Security Agreement and Assignment as Exhibit A."

Also enclosed is a check in the amount of $21.00, payable to the Surface Transportation Board, to cover the recording fee prescribed by the Board in its rules and regulations.

Please acknowledge receipt of the enclosed documents by stamping and returning to our messenger the enclosed copy of this letter together with the Security Agreement and Assignment as filed.

If you have any questions with respect to the enclosed documents, please feel free to call me collect at (617) 951-8773.

Sincerely,

Ian M. Wenniger

Enclosures

cc: William Barrett, Esq.
Amy L. Kyle, Esq.

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

4/26/96

Ian M. Wenniger
Bingham, Dana & Gould LLP
150 Federal Street
Boston, Massachusetts 02110-1726

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 4/26/96 at 10:50AM, and assigned recordation number(s). 20033.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature Janice M. Fort

20033

SECURITY AGREEMENT AND ASSIGNMENT

This Security Agreement and Assignment ("Security Agreement") is entered into as of the 25th day of April 1996 between C. K. Industries, Inc. ("Debtor") and BancBoston Leasing Inc. ("Secured Party").

WHEREAS, Pursuant to that certain Lease Agreement dated as of September 15, 1993 (together with any exhibit, schedule, amendment, modification, rider and attachment thereto, the "Lease") between Debtor, as assignee of Interail, Inc., as lessor and Illinois Central Railroad Company ("Lessee") as lessee, Debtor has leased to Lessee the 88 covered hopper railcars (the "Equipment") described in the Lease; and **

WHEREAS, Debtor proposes to borrow from Secured Party the sum of $1,359,778.87 (the "Loan") and to give Secured Party Debtor's Secured Note ("Note") in such amount;

NOW THEREFORE, In order to induce Secured Party to make the Loan, and in consideration of its doing so, and for other good and valuable consideration, the receipt and sufficiency of which Debtor hereby acknowledges, Debtor and Secured Party hereby agree as follows:

1. **Grant of Security Interest and Subordination.** In order to secure the due and punctual payment of the sums due and to become due under the Note, Debtor hereby:

a. grants to Secured Party a continuing security interest in the following things (the "Collateral"): (i) the Equipment, including all warranties and indemnities pertaining thereto, and any claim for damages for breach thereof, and any additions, modifications, upgrades and improvements thereto which become the property of the Debtor; (ii) all leases of the Equipment, including the Lease; and (iii) all sums due under the Lease or any extension thereof and any such other lease (including, without limitation, rentals, interest, late charges, payments, taxes, income, revenues, issues, profits, insurance proceeds, awards and proceeds in respect of any taking, casualty, salvage, damage or termination, and all other amounts, of every kind and nature, now or hereafter payable to or receivable by the Debtor in respect of the Equipment, the Lease or any lease);

b. absolutely and unconditionally subordinates each and every right and interest the Debtor may now have or hereafter acquire in the Collateral (whether as owner, lessor, lessee, secured party or otherwise) to the security interest and other interests therein which are granted to Secured Party pursuant to this Security Agreement; and

c. agrees that such security interest and other interests granted to Secured Party shall be and remain prior in right and senior to the interests of Debtor in the Collateral as if such security interest and other interests had been granted and perfected prior in time to any interest which Debtor has or may acquire therein.

** Exhibit A attached hereto and made a part hereof.

2. Assignment. In addition to the security interests granted in §1 above, and as a transfer separate and distinct therefrom, Debtor hereby presently and unconditionally assigns and sets over to Secured Party as additional collateral all of its right, title and interest in the Lease, including:

a. all sums due thereunder or any extension thereof, including, without limitation, rentals, interest, late charges, payments, taxes, income, revenues, issues, profits, insurance proceeds, awards and proceeds in respect of any taking, casualty, salvage, damage or termination, and all other amounts, of every kind and nature, now or hereafter payable to or receivable by the Debtor in respect of the Equipment or the Lease (hereinafter "Payments");

b. all claims, rights, privileges, options, elections, powers and remedies, now existing or hereafter arising, of Debtor under or pursuant to any provision of the Lease; and

c. all other rights of Debtor to give, make, enter into or receive any agreement, amendment, notice, consent, demand, waiver or approval with, to or from Lessee under or in respect of the Lease or any of the Equipment, to accept surrender of any of the Equipment, or to terminate or cancel the Lease;

in each case together with full power and authority, in the name of Debtor or Secured Party, to enforce, collect, receive and receipt for any or all of the foregoing. The foregoing assignment is effective immediately and is not conditioned on the occurrence of any Event of Default or any other event or contingency. In no event shall the foregoing assignment impose on Secured Party any obligation whatsoever of the lessor under the Lease. It is expressly agreed that, anything herein contained to the contrary notwithstanding, Debtor shall remain liable under the Lease to perform all the obligations assumed by it thereunder.

3. Notice and Acknowledgement of Assignment. Pursuant to a letter to Lessee of even date herewith constituting a Notice and Acknowledgement of Assignment (the "Notice"), Debtor has irrevocably directed Lessee to remit the Payments to or as directed by Secured Party.

4. Termination of Security Interest and Assignment. Upon payment in lawful money of the United States of America and performance in full of the Note, Secured Party shall execute and deliver to Debtor, at the expense of Debtor, such documents as Debtor shall reasonably request to evidence the termination of the foregoing security interest, subordination and assignment of the Lease granted by Debtor.

5. Representations and Warranties of Debtor. In order to induce Secured Party to make the Loan and accept the Note, Debtor hereby represents and warrants as follows:

a. Debtor is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The chief executive offices and principal place of business of Debtor are located at 1348 Greenland Trace, Deland, Florida 32720.

b. Debtor is the sole owner of the Equipment, free and clear of all liens, claims, encumbrances or charges other than the Lease. The Equipment has been accepted by Lessee under the Lease; and as of the date hereof there are no Withdrawn Cars or Casualty Cars (as defined in the Lease) included in the Equipment.

c. Debtor is the sole lessor under the Lease, and has full and sole right to assign its right, title and interest in the Lease to Secured Party pursuant to Sections 1 and 2 above.

d. The execution, delivery and performance by Debtor of this Security Agreement, the Note, the Notice (together the "Loan Documents") are within Debtor's corporate powers, have been duly authorized by all necessary corporate action on its part, and are not in contravention of law or the rights of its creditors nor in contravention of the terms of its charter documents or bylaws or of any provision of any indenture, agreement or undertaking to which it is a party or by which it or any of its assets may be bound. The Loan Documents, and their respective execution and delivery, will constitute the legal, valid and binding obligations of Debtor, enforceable against it in accordance with their respective terms.

e. Debtor has not entered into any agreement which would limit the rights of Secured Party under the Loan Documents.

f. No event of default and no event which, with the passing of time or the giving of any notice or both, would constitute an event of default, has occurred and is continuing under either the Security Agreement or, to the best of Debtor's knowledge, the Lease.

g. Upon (i) the due recordation with the Interstate Commerce Commission or its successors (in either case, the "ICC") of a copy of this Security Agreement and of a Memorandum of Lease Agreement with respect to the Lease, and (ii) the due filing of the appropriate financing statements and other appropriate documents in the appropriate jurisdictions, Secured Party will have a first priority lien and security interest in the Collateral, free and clear of all claims, liens, security interests and other encumbrances (collectively, "Liens") except the rights of the Lessee under the Lease. The Lease is in full force and effect, and Debtor's rights in and to the Lease and to the rents and other sums payable thereunder, are free and clear of all Liens except those specified above.

h. Debtor has timely recorded with the ICC a copy of a Memorandum of Lease Agreement (or similar document) with respect to the Lease; and Debtor will timely record with the ICC a copy of a Memorandum of Lease Agreement (or similar document) with respect to any subsequent lease constituting Collateral.

i. Lessee is not as of the date hereof, and shall not become while the Note is outstanding, entitled to any abatement of Rent within the meaning of Section 12 of the Lease.

j. Except for the Lease and the Loan Documents, there exist no material agreements, commitments or understandings to which Debtor is a party or by which Debtor is bound relating to the Collateral which have not been delivered to Secured Party.

k. There is no action, suit, proceeding or investigation before any court, public board or body, or arbitrator, pending or, to Debtor's knowledge, threatened against Debtor which could adversely affect the transactions contemplated by or the validity or enforceability of the Loan Documents.

l. Except for the recordation referred to in §5g above, no approval, consent or withholding of any objection is required to be obtained by Debtor from any governmental authority with respect to the entering into or performance by Debtor of any of its obligations hereunder.

m. Debtor has filed all tax returns required by law and has paid in full all taxes levied on or, to the knowledge of Debtor, assessed against it or any of its assets which are now due and payable, and no deficiency assessment for federal or state income taxes, or proposed adjustment of such taxes, is pending or, to Debtor's knowledge, threatened against Debtor, except for taxes, assessments or adjustments currently being contested in good faith by appropriate proceedings and with respect to which Debtor has set aside reserves reasonably deemed by it to be adequate.

n. The transactions contemplated in the Loan Documents will not violate or result in a violation of the Securities Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, or any regulations issued pursuant thereto, including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. Neither Debtor nor any agent, broker, dealer or other person authorized by it has offered the Note for sale to any prospective purchaser other than Secured Party.

6. <u>Affirmative Covenants</u>. Debtor hereby covenants and agrees that, so long as the Note remains unpaid or otherwise unperformed, in whole or in part, it will:

a. preserve and maintain its existence as a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and (if in the reasonable opinion of Secured Party such qualification is necessary to the enforcement of its rights under the Lease against the Lessee) duly qualified as a foreign corporation authorized to transact business in a jurisdiction in which a lessor of the Equipment is required to be so qualified;

b. promptly notify Secured Party in writing of any change in its name or in the location of its chief place of business from its address specified herein (or any address specified by it pursuant thereto);

c. hold in trust for the exclusive benefit of Secured Party all Collateral received by it (other than the monthly rents due under the Lease prior to the date of the first Installment Payment under the Note), and taxes relating thereto and will forthwith deliver

to Secured Party the identical checks, drafts, cash and other forms of payment received with such endorsements and assignments thereof as Secured Party may reasonably request;

d. keep accurate and proper books of account and records relating to the Collateral and furnish to Secured Party, at Secured Party's expense, copies of such records, and permit representatives of Secured Party to discuss the Collateral or any part thereof with its officers, at such times and as often as may be reasonably requested, and furnish to Secured Party such information concerning the Collateral or any part thereof as Secured Party from time to time may reasonably request in writing.

7. **Negative Covenants.** Debtor hereby covenants and agrees that, so long as the Note remains unpaid or otherwise unperformed, in whole or in part, it will not:

a. without the prior written consent of Secured Party (which consent shall not be unreasonably withheld) further sell, lease, assign or otherwise dispose of all or any part of its right, title and interest in and to the Collateral;

b. without the prior written consent of Secured Party (which consent shall not be unreasonably withheld) assert any claim or exercise any right, privilege, option, election, power or remedy, now existing or hereafter existing, under or pursuant to any of the provisions of the Lease;

c. waive or consent to the breach of any warranties and indemnities forming part of the Collateral;

d. take any action in connection with any Collateral which could impair or jeopardize the validity, priority or perfection of any security interest granted herein, the effectiveness of the assignment contained herein or the value of any of the Collateral;

e. create, incur, assume or suffer to exist any lien or encumbrance on any of its right, title and interest in and to any of the Collateral, except (i) the respective liens created by the Lease and this Security Agreement, (ii) liens which the Lessee is obligated to discharge in accordance with the express terms of the Lease, and (iii) until the Loan is made, any purchase money security interest in the Equipment.

8. **Events of Default.** Each of the following is an "Event of Default":

a. Default (for any reason, but subject to the same grace periods as are provided to Lessee under the Lease) in the due and punctual payment of any installment of principal and interest on the Note from the monthly rentals, late charges, or any other of the Payments payable in accordance with the terms of the Lease; provided that Secured Party shall give Debtor at least ten (10) business days written notice prior to exercising its remedies for the Event of Default described in this Section 8a.

b. Default in the due observance and performance of any other covenant, agreement, obligation or undertaking on the part of Debtor contained in this Security

Agreement, and the continuance thereof for thirty (30) days after the giving of notice thereof by Secured Party;

c. Debtor (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of it or of all or a substantial part of its property, or (ii) is generally unable, or admits in writing its inability, to pay its debts as they become due, or (iii) makes a general assignment for the benefit of creditors, or (iv) commences a voluntary case under the Federal bankruptcy laws (as now or hereafter in effect), or (v) is adjudicated a bankrupt or insolvent, or (vi) files a petition in bankruptcy or a petition or an answer seeking reorganization or a composition or arrangement with creditors or to take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceedings, or (vii) acquiesces in writing to, or fails to controvert in a timely or appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws, (viii) ceases doing business, dissolves, liquidates or terminates its existence, or (ix) authorizes any of the foregoing actions;

d. A case or other proceeding shall be commenced against Debtor seeking its liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, or the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or a substantial part of its assets, or any similar action with respect to it under any laws relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of thirty (30) days, or an order for relief against the Debtor shall be entered in an involuntary case under the Federal bankruptcy laws (as now or hereafter in effect);

e. Any representation or warranty (whether or not conditioned upon the accuracy of representations and warranties made by others) made by Debtor in this Security Agreement, or made by the Lessee in the Notice, or made by Debtor or Lessee in any certificate or instrument furnished hereunder or thereunder or in connection herewith or therewith, shall prove to have been incorrect in any material respect when made; or

f. The occurrence of any Event of Default (as defined in the Lease) under the Lease or the breach by Lessee of any provision of the Notice; provided that Secured Party shall give Debtor at least ten (10) business days written notice prior to exercising its remedies for the Event of Default described in this Section 8f.

9. <u>Acceleration</u>. If an Event of Default shall have occurred and be continuing, Secured Party may by written notice to Debtor declare the entire unpaid principal balance of, premium (if any) then due on, and all interest accrued and unpaid on the Note to be immediately owing and payable; and the entire unpaid principal balance of the Note, such premium, and all interest accrued and unpaid thereon shall thereupon become forthwith due and payable without any presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Debtor.

10. Remedies.

a. In case an Event of Default shall have occurred and be continuing, and regardless of whether the right of acceleration under the preceding Section is exercised, Secured Party shall have all of the rights, options and remedies of a secured party, and Debtor shall have the rights and duties of a debtor, under the Massachusetts Uniform Commercial Code as then in effect.

b. Secured Party also shall be entitled, and is hereby authorized and empowered, whether or not the right of acceleration under the preceding Section is exercised, to pursue any other remedy (including, without limitation, injunctive relief and specific performance) available to Secured Party by statute, at law, in equity or otherwise to enforce payment of the Note, its rights under the Lease, the Notice, and this Security Agreement and its rights in, and to dispose of, the Collateral or any part thereof, including, without limitation, but subject in all cases to the rights of Lessee under the Lease and to any mandatory requirements of applicable law, the right:

(i) to take immediate possession of all or any part of the Collateral not then in its possession, and to remove such Collateral from the possession of Debtor and all other persons, and to hold, operate and manage the Collateral and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, Secured Party being under no liability for or by reason of any such taking of possession, holding, operation or management;

(ii) without regard to the adequacy of the security for the Note by virtue of this Security Agreement, any Collateral or other security or source of payment, or to the solvency of Debtor or Lessee, to institute legal proceedings for the appointment of a receiver or receivers pending foreclosure hereunder or for the sale of any of the Collateral under the order of a court of competent jurisdiction or under other legal process;

(iii) to dispose of the Collateral, or any part thereof, on the premises of Debtor or, if such shall be permitted under the Lease or otherwise by Lessee, on the premises of Lessee or to require Debtor to assemble the Collateral or any part thereof and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to Secured Party and Debtor;

(iv) to dispose of the Collateral or any part thereof by public or private proceedings, as a whole or from time to time in part, and if in part in such order and manner as Secured Party, in its sole discretion, shall elect, either for cash or on credit and on such terms as Secured Party shall determine;

(v) to exercise all claims, rights, powers, privileges, options, elections and remedies of Debtor in respect of the Collateral, either in the name of Debtor or in the name of Secured Party, but for the use and benefit of Secured Party; and

(vi) to perform any covenant, condition or agreement contained in the Lease on the part of Lessor or Lessee to be observed or performed, which covenant, condition or agreement Lessor or Lessee has failed to observe or perform, provided

that Secured Party shall at no time be under any obligation to perform any such covenant, condition or agreement.

c. In the event reasonable notice is required to be given to Debtor under any applicable law, such notice shall be deemed to have been given if mailed, postage prepaid, certified or registered mail, return receipt requested, at least ten (10) business days prior to the happening of the event for which such notice is being given, to Debtor at its address specified in Section 23 hereof (or the last address specified by Debtor pursuant thereto).

d. At any sale of the whole or any part of the Collateral, Secured Party may purchase the same or any part thereof, and there may be applied upon the purchase price the unpaid principal balance of, premium (if any) and all interest (including interest at the Overdue Rate provided in the Note) accrued and unpaid on the Note.

e. In case of any sale of the Collateral or any part thereof, pursuant to any judgment or decree of any court or otherwise, in connection with the enforcement of any of the terms of this Security Agreement, the Note, if not previously due, all premium due thereon, and all interest accrued and unpaid thereon, shall at once become immediately due and payable.

f. In case any proceeding to enforce any right under this Security Agreement, the Note, the Notice or the Lease, or under any law for foreclosure, sale, entry or otherwise, shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case Debtor and Secured Party shall be restored to their former positions, rights and obligations hereunder and thereunder as if such proceeding had not been brought.

11. **Receipt a Sufficient Discharge**. Upon any sale of the Collateral or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise, the receipt of the officer making the sale under judicial proceedings or of Secured Party shall be sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof. Secured Party shall not be required in any such sale to make any representations or warranties with respect to the Collateral or any part thereof, and Secured Party shall not be chargeable with any of the obligations or liabilities of Debtor with respect thereto.

12. **Waiver of Appraisement, Valuation, Etc.** The right of Secured Party to take possession of and sell any of the Collateral in compliance with the provisions of this Security Agreement shall not be affected by the provisions of any applicable reorganization or other similar law of any jurisdiction; and Debtor covenants that it shall not take advantage of any such law or agree to allow any agent, assignee or other person to take advantage of such law in its place, to which end Debtor, for itself and all who may claim through it, as far as it or they now or hereafter lawfully may do so, hereby waives, to the fullest extent permitted under applicable law, any rights or defenses arising under any such law, and hereby agrees that any court having jurisdiction to foreclose upon and against the security interest granted in this Security Agreement may order the sale of the Collateral subject to such jurisdiction as an entirety or severally. Debtor hereby waives, to

the full extent it may lawfully do so, the benefit of all appraisement, valuation, stay, extension and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale of the Collateral or any part thereof or any interest therein.

13. **Sale a Bar**. Any sale of the Collateral or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise hereunder, shall be free and clear of any right, claim, equity title or interest of Debtor therein, and shall forever be a perpetual bar against Debtor.

14. **Application of Proceeds**. All monies and other proceeds of the exercise of any remedy hereunder shall be paid or applied as follows:

a. first, to the costs and expenses of any suit or other proceeding to collect any or all of the amounts due under the Note, the Lease, or any other lease of the Equipment, to foreclose or otherwise take possession of or collect upon the Collateral or any part thereof or to enforce or protect any or all of the Collateral or Secured Party's rights or interests therein, to the costs and expenses of re-taking, holding, preparing for sale or disposition and selling and disposing of the Collateral and other similar expenses, and to the payment of all taxes, assessments and liens on the Equipment, if any there be, superior to any security interest granted herein (except any of the same subject to which any sale of the Collateral was made), including, without limitation, the curing of any breach of any of Lessee's covenants contained in the Lease (together with interest on each amount so expended by the Secured Party to cure any such breach, at the Overdue Rate under the Note, from the time of expenditure until paid), and reasonable compensation of Secured Party's agents, brokers, attorneys and counsel paid in connection with any of the foregoing;

b. second, to the payment of all principal, premium and interest at the time due and payable on the Note, together with interest on each such amount, from its due date until paid, at the Overdue Rate under the Note; and in case such moneys shall be insufficient to pay in full the amounts so due and unpaid upon the Note, then, with such priority of application between principal, premium and interest as the Secured Party may determine in its sole discretion;

c. third, to the payment of the surplus, if any, to Debtor or to whomever may be lawfully entitled to receive the same.

15. **Appointment of Attorney**. Until the security interest granted herein shall terminate, but without limiting the assignment made in Section 2 hereof, Debtor hereby irrevocably appoints Secured Party its true and lawful attorney, with power of substitution, for Debtor and in Debtor's name or Secured Party's name, for the use and benefit of Secured Party, to collect, receive payment of, receipt for and give discharges and releases of all claims of amounts due and to become due under the Note or Lease, to make demand with respect to, settle, compromise, compound or adjust any claims in respect of the Collateral, to commence and prosecute in Secured Party's name or in Debtor's name or otherwise any suits, actions or proceedings at law or in equity, in any court of competent jurisdiction, to collect any such claims or to enforce any rights in respect thereof, generally

to sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with any of such claims and also (if an Event of Default shall have occurred and be continuing) all of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to file and record such copies or memoranda of this Security Agreement and financing statements, continuation statements and other instruments or documents with respect to the security interest granted herein as Secured Party may deem desirable fully to protect its interests hereunder and thereunder, and for such purpose Debtor hereby authorizes Secured Party to effect any such filings or recordings without the signature of Debtor to the extent permitted by applicable law. For the purposes of exercising Secured Party's rights under this Section, Secured Party may endorse, in the name of Debtor, checks and drafts given in full or partial payment of all claims. The powers conferred on Secured Party by this Section are solely to protect its interests and shall not impose any duties upon Secured Party to exercise any such powers.

16. **Obligations of Secured Party; Exercise of Rights and Remedies.** Secured Party shall not assume or be obligated to perform any duties, obligations or liabilities of Debtor in respect of the Collateral or any part thereof for any reason or at any time. Secured Party shall have no duty as to the collection or protection of any of the Collateral or any income with respect thereto, nor as to the preservation of rights against Lessee, Debtor or any other person, nor as to the preservation of any rights pertaining to any of the Collateral beyond reasonable care in its custody. Secured Party may exercise its rights and remedies with respect to any of the Collateral without resort or regard to other security or sources of payment.

17. **Limitation of Liability.** Any provision of the Note, the Security Agreement or any certificate, opinion or document of any nature whatsoever to the contrary notwithstanding, Secured Party shall not have any claim, remedy or right to proceed (at law or in equity) against Debtor, or any director, officer, employee or shareholder of Debtor, for any obligation under the Loan Documents from any source other than the Collateral. Secured Party hereby waives and releases any personal liability of Debtor for or on account of any obligation under the Loan Documents, and Secured Party hereby agrees to look solely to the Collateral for the payment or performance of any obligation under the Loan Documents. Debtor acknowledges that it shall nevertheless be personally liable for any damages caused by fraud, misapplication of funds, or false representation or warranty (other than the covenant to pay principal, premium and interest payable on the Note) made by Debtor and contained in this Security Agreement or the Note or any certificate or other document delivered in connection with the transaction contemplated hereby or thereby.

18. **Further Assurances.** At any time or from time to time upon Secured Party's written request, Debtor will, at its expense, execute and deliver such further documents and do such other acts and things as Secured Party may reasonably request in order fully to effectuate the purposes of this Security Agreement, to provide for the payment of the Note and Lease in accordance with the terms thereof, and to vest more completely in and assure to Secured Party its rights under this Security Agreement and in and to the Collateral, and its rights to, and its interest created by the Lease in, the Equipment.

19. **Waivers; Rights Cumulative.** Debtor agrees that Secured Party shall be entitled to exercise any of its rights and remedies under this Security Agreement, or under applicable law, without resort to judicial process, and Debtor hereby waives, to the extent permitted by law, its rights to notice and hearing under any law to determine whether probable cause exists entitling Secured Party to any such exercise. No failure to exercise, and no delay in exercising, on Secured Party's part, any right, power or privilege under this Security Agreement, the Note, the Notice, the Lease, or under applicable law or otherwise, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of Secured Party herein and therein are cumulative and not exclusive of any rights or remedies now or hereafter provided at law, in equity or by statute.

20. **Terms Subject to Applicable Law.** All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Security Agreement invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Security Agreement or any application thereof shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Security Agreement or any other application of such term shall in no way be affected thereby.

21. **Successors and Assigns.** This Security Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, in the case of Secured Party, the holder from time to time of the Note.

22. **Amendment and Waiver.** This Security Agreement may be amended, and the observance of any term of this Security Agreement may be waived, only by an instrument in writing signed by Secured Party and Debtor.

23. **Miscellaneous.**

a. The headings in this Security Agreement are for the purpose of reference only, and shall not limit or otherwise affect the meaning hereof.

b. All notices required or permitted to be delivered under this Security Agreement, and all communications in respect hereof, shall be in writing and shall be deemed to have been given when deposited in the United States mails, certified, first-class, postage prepaid and addressed to the parties at their respective addresses as follows:

(i) if to Debtor (by U.S. Mail): C. K. Industries, Inc.
PO Box 87
Deland, FL 32721-0087
Attn: President

(by overnight delivery): C. K. Industries, Inc.
1348 Greenland Trace
Deland, FL 32720
Attn: President

(ii) if to Secured Party: BancBoston Leasing Inc.
100 Federal Street
Boston, MA 02110
Attn: President

or addressed to such other address or to the attention of such other person as the addressee shall have specified in a notice delivered pursuant to this subsection.

c. This Security Agreement may be executed in one or more counterparts. Each of such counterparts, when executed, shall be deemed an original, but such counterparts together shall constitute one and the same agreement, which shall be sufficiently evidenced by one of such original counterparts.

d. This Security Agreement shall be construed and enforced in accordance with and governed by the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, Debtor has caused these presents to be executed and delivered to Secured Party in Boston, Massachusetts by its officer hereunto duly authorized as of the day and year first above written.

C. K. INDUSTRIES, INC.

By:_____

Title: President

Accepted and Agreed:
BANCBOSTON LEASING INC.

By: James D. [illegible]

Title: Vice President

CK-INDUS.DOC.4

State of Florida)
) ss.:
County of Volusia)

On the 23rd day of April 1996 personally appeared before me Claude Bigot, to me personally known, who being by me duly sworn, said that he is the President of C. K. Industries, Inc., that the seal affixed to the foregoing instrument is the corporate seal of such corporation, that such instrument was signed and sealed on behalf of such corporation by the authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

J. Daniel Peterson
Notary Public
My commission expires 8-25-96

J. DANIEL PETERSON
MY COMMISSION # CC 223883
EXPIRES: August 25, 1996
Bonded Thru Notary Public Underwriters

Commonwealth of Massachusetts)
) ss.:
County of Suffolk)

On the 24th day of April 1996 personally appeared before me James Tighe, to me personally known, who being by me duly sworn, said that he/she is the Vice President of BancBoston Leasing Inc., that the seal affixed to the foregoing instrument is the corporate seal of such corporation, that such instrument was signed and sealed on behalf of such corporation by the authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Maura R. Holman
Notary Public
My commission expires Nov 9, 2001

CK-INDUS.DOC.16

Exhibit A to the
Security Agreement and Assignment between
Between BancBoston Leasing Inc. as Secured Party and
C.K. Industries, Inc. as Debtor

REPORTING MARKS

OLD ROAD #	NEW ROAD # IC	OLD ROAD #	NEW ROAD # IC
GNWR 301290	769597	GNWR 301401	769587
GNWR 301291	769637	GNWR 301402	769610
GNWR 301292	769599	GNWR 301405	769631
GNWR 301294	769579	GNWR 301407	769584
GNWR 301295	769612	GNWR 301408	769558
GNWR 301299	769552	GNWR 301409	769632
GNWR 301300	769640	GNWR 301412	769554
GNWR 301301	769636	GNWR 301413	769562
GNWR 301302	769647	GNWR 301415	769596
GNWR 301303	769575	GNWR 301417	769566
GNWR 301304	769557	GNWR 301418	769622
GNWR 301305	769608	GNWR 301419	769574
GNWR 301306	769624	GNWR 301424	769571
GNWR 301308	769594	GNWR 301425	769576
GNWR 301312	769612	GNWR 301427	769616
GNWR 301313	769588	GNWR 301428	769626
GNWR 301314	769569	GNWR 301432	769651
GNWR 301315	769598	GNWR 301433	769568
GNWR 301317	769606	GNWR 301435	769614
GNWR 301320	769567	GNWR 301438	769604
GNWR 301321	769638	GNWR 301439	769555
GNWR 301324	769563	GNWR 301440	769601
GNWR 301326	769617	GNWR 301441	769609
GNWR 301327	769560	GNWR 301445	769592
GNWR 301329	769550	GNWR 301446	769628
GNWR 301332	769646	GNWR 301448	769564
GNWR 301337	769581	GNWR 301449	769639
GNWR 301338	769634	GNWR 301450	769630
GNWR 301339	769642	GNWR 301452	769607
GNWR 301342	769613	GNWR 301454	769602
GNWR 301343	769586	GNWR 301457	769635
GNWR 301346	769603	GNWR 301459	769570
GNWR 301349	769573	GNWR 301460	769644
GNWR 301350	769595	GNWR 301461	769621
GNWR 301354	769551	GNWR 301463	769648
GNWR 301356	769559	GNWR 301465	769565
GNWR 301357	769643	GNWR 301466	769611
GNWR 301361	769585	GNWR 301467	769641
GNWR 301363	769615	GNWR 301468	769620
GNWR 301366	769577	GNWR 301469	769629
GNWR 301367	769589	GNWR 301470	769653
GNWR 301371	769578	GNWR 301476	769633
GNWR 301374	769556	GNWR 301477	769623
GNWR 301379	769561	GNWR 301478	769593