

OBER, KALER, GRIMES & SHRIVER

ATTORNEYS AT LAW

120 EAST BALTIMORE STREET

BALTIMORE, MARYLAND 21202-1643

(410) 685-1120

FACSIMILE (410) 547-0699

CABLE "RITNER"

TELEX 8-7774

18142

RECORDATION NO. FILED 1425

MAR 2 1993 10:20 AM

OFFICES IN  
WASHINGTON, D. C.  
NEW YORK  
NEW JERSEY

PATRICK K. CAMERON  
DIRECT DIAL NUMBER  
(410) 347-7340

March 1, 1993 INTERSTATE COMMERCE COMMISSION A 0 1 4

HAND DELIVERED

Mr. Sidney L. Strickland  
Secretary  
Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

FILED  
MAR 2 10 16 AM '93

Dear Mr. Strickland

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11303(a) is one (1) original and one (1) conformed copy of the Security Agreement Equipment dated March 1, 1993 (the "Security Agreement"), a primary document as defined in the Commission's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed Security Agreement are:

Debtor: Florail, Inc.  
1348 Greenland Trace  
DeLand, Florida 32721

Secured Party: The First National Bank of Maryland  
25 South Charles Street  
15th Floor  
Baltimore, Maryland 21201

Attn: Transportation Division

A description of the hopper cars covered by the enclosed document is set forth in Schedule 1 attached hereto and made a part hereof.

Also enclosed is our check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a file-stamped copy of the enclosed document to:

Patrick K. Cameron, Esq.  
Ober, Kaler, Grimes & Shriver  
120 East Baltimore Street  
Baltimore, Maryland 21201-1643.

Mr. Sidney L. Strickland  
March 1, 1993  
Page 2

A short summary of the enclosed primary document to appear in the Commission's index is:

Security Agreement Equipment dated March 1, 1993 between The First National Bank of Maryland, Secured Party, and Florail, Inc., Debtor, covering 16 100-ton covered hopper cars bearing GNWR reporting marks with road nos. 301380, 301381, 301387, 301388, 301390, 301392, 301396, 301397, 301481, 301482, 301484, 301486, 301490, 301492, 301493 and 301498, together with all accessions, accessories, modifications, appurtenances, parts, improvements and attachments thereto, all substitutions and replacements thereof and all proceeds, including all insurance proceeds, settlement proceeds and requisition compensation, thereof.

Very truly yours,



Patrick K. Cameron

PKC/pml  
Enclosures

Schedule 1

Sixteen (16) Used Covered 100-ton 4750 cu. ft. Thrall Built Hopper Cars bearing GNWR reporting marks and identified by road nos.:

301380	301481
301381	301482
301387	301484
301388	301486
301390	301490
301392	301492
301396	301493
301397	301498

**Interstate Commerce Commission**  
Washington, D.C. 20423

3/2/93

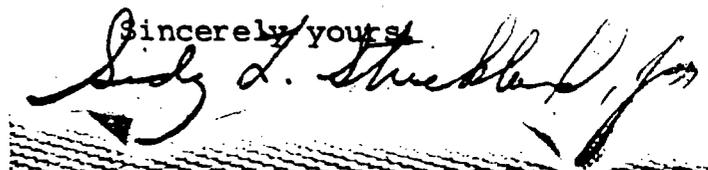
OFFICE OF THE SECRETARY

Patrick K. Cameron, Esq.  
Ober, Kaler, Grimes & Shriver  
120 East Baltimore Street  
Baltimore, MD. 21201-1643

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/2/93 at 10:20am, and assigned re-  
recording number(s). 18142

Sincerely yours



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

SE-30  
(7/79)

18142  
RECORDATION NO. FILED 1425

MAR 2 1993 10-20 AM

INTERSTATE COMMERCE COMMISSION

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SECURITY AGREEMENT  
EQUIPMENT

BY

FLORAIL, INC.

IN FAVOR OF

THE FIRST NATIONAL BANK OF MARYLAND

Dated as of March 1, 1993

---

Covering Sixteen (16) Used Covered 100-ton, 4750 cu. ft.  
Thrall Built Hopper Cars

---

Filed and recorded with the Interstate Commerce Commission  
pursuant to the Interstate Commerce Act, 49 U.S.C. §11303 on the  
1st day of March, 1993, at \_\_\_\_\_.m., Recordation No. \_\_\_\_\_.

It is hereby agreed this 1st day of March, 19 93, by and between FLORAIL, INC. ("Borrower"),

a corporation of the State of Florida, and The First National Bank of Maryland ("Bank"),  
(LEGAL FORM: CORP. PARTNERSHIP, ETC. IF INDIVIDUAL, INSERT "RESIDENT")

INITIAL  
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of Baltimore, Maryland as follows:

**SEE RIDER NO. 1  
GRANT OF SECURITY INTEREST**

A. Collateral As collateral security ("Collateral") for all Obligations of Borrower to Bank, and in consideration of advances from Bank to Borrower, Borrower hereby grants and pledges to Bank a continuing security interest in:

(1) (Check one)

(a) all of the now owned and hereafter acquired machinery, equipment, furniture, fixtures (whether or not attached to real property), supplies and other personal property of Borrower other than inventory, including any leasehold interests therein (plus all replacement parts and annexations thereto), and any maintenance agreements applicable thereto, herein called "Equipment" and specifically including but not limited to that which is described below and in any separate schedule at any time delivered by Borrower to Bank.

(b) the property, herein called "Equipment", which is described below and in any separate schedule at any time delivered by Borrower to Bank, including all improvements and accessions thereto and all spare parts, tools, accessories and attachments now owned or hereafter acquired in connection therewith, and any maintenance agreements applicable thereto.

INITIAL  
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SEE RIDER NO. 2

(2) all proceeds (including insurance proceeds) and products of the above-described Equipment.

(3) all of Borrower's other assets, specifically including (but not limited to) accounts receivable and inventory, in which Bank has been or is hereafter granted a security interest under any other security agreements, notes, or other obligations or liabilities between Borrower and Bank;

(4) any accounts, property, securities or monies of Borrower which may at any time be assigned or delivered or come into the possession of Bank, as well as all proceeds thereof.

B. Obligations The "Obligations" secured by this Agreement are defined to include all of Borrower's notes, indebtedness, extensions of credit, letters of credit, overdrafts and other obligations, whether direct, indirect (by way of endorsement, guaranty, pledge or otherwise), liquidated, unliquidated, fixed, contingent, or howsoever arising, whether now existing or hereafter incurred to or otherwise acquired by Bank, and whether held for Borrower's account or for another or others. "Obligations" shall also be defined to include all obligations of Borrower hereunder or under any other agreement with Bank pertaining hereto. The Obligations shall include new and additional credit facilities for Borrower, whether or not such facilities are presently contemplated.

C. Adequate Protection The ratio of the amount of the Obligations of Borrower to the value of all Collateral, guaranties and other security held by Bank, and realizable through commercially reasonable disposition of the property by Bank, has been an essential part of the bargain between Borrower and Bank and has been a crucial fact in establishing the rate of interest charged to Borrower. That ratio of Obligations to security value shall not be varied without the consent of both Borrower and Bank. If the actual ratio exceeds the agreed ratio, then a default under this Agreement has occurred, and the rate of interest on all Obligations secured by this Agreement may be increased by two percent per annum, at the option of Bank, and such increase in the rate of interest shall continue until the actual ratio is reduced to the agreed ratio.

**II. REPRESENTATIONS AND WARRANTIES**

Borrower represents and warrants that:

A. Authority Borrower is duly organized and qualified to do business in all states where it conducts its business, and Borrower will supply the opinions of counsel to such effect if requested by Bank. None of the terms and conditions herein, or of any other agreement executed by Borrower and Bank, are in violation of the charter or by-laws of Borrower, or any contractual obligation Borrower may have with any third party. The execution and delivery of this Security Agreement have been duly authorized by appropriate corporate or partnership action, and Borrower will deliver to Bank a written opinion of counsel as to the legal propriety of such action, should Bank request same.

B. Litigation No litigation or other proceeding before any court or administrative agency is pending, or to the knowledge of the officers of Borrower, is threatened against Borrower, the outcome of which could materially impair Borrower's financial condition or its ability to carry on its business. Borrower is not the subject of any pending bankruptcy proceeding nor subject to the continuing jurisdiction of a bankruptcy court as the result of an approved plan of reorganization.

C. Financing Statements No financing statements, other than any filed in favor of Bank, relating to any of the Collateral is on file in any place, except as expressly disclosed to Bank in writing by Borrower.

D. Assurance of Title Borrower is the owner of all of the Collateral, or if proceeds of any note or notes secured hereby are being used to purchase the Collateral, Borrower will be the owner thereof, free and clear of all claims, encumbrances, charges and liens, except as herein provided.

E. Addresses The principal place of business of Borrower, the books and records relating to the Collateral, and the Collateral are located at the address(es) set forth in this Agreement or as otherwise provided in writing to Bank.

F. ERISA Since September 2, 1974, no defined benefit employee pension benefit plan maintained by Borrower or any of its affiliates has been terminated, no lien against Borrower exists in favor of Pension Benefit Guaranty Corporation ("PBGC"), and no "reportable event" within the meaning of Sec. 4043(b) of the Employee Retirement Security Act of 1974 ("the Act") has occurred with respect to any such plan maintained by Borrower or any affiliate of Borrower under common control with it within the meaning of the Act. Immediately upon the occurrence of any such reportable event, Borrower will promptly furnish to Bank notice thereof, as filed with PBGC. Borrower will promptly notify Bank of any assertion by PBGC of liability of Borrower or any above described affiliate under Title IV of the Act. The failure of Borrower to pay within 30 days the amount of any liability under Title IV of the Act demanded by PBGC shall constitute a default hereunder.

G. Tax Liens There are no unpaid Federal, State, City, County, or other tax liens presently filed against Borrower and there are no outstanding personal property taxes of any kind.

**SEE RIDER NO. 3**

**COVENANTS**

Borrower covenants and agrees that:

A. Recording and Legal Costs Borrower will pay all recordation costs and taxes incident to filing of financing statements and continuation statements in respect thereof, and all other expenses, including attorneys' fees, incident to the making of the loan proposed hereby and to perfecting Bank's security interests hereunder.

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- B. Further Documents Borrower will execute and deliver to Bank any instruments or documents and do all things necessary or convenient to carry into effect the provisions of this Agreement. Borrower designates Bank or any of its officers as attorney-in-fact to sign Borrower's name on any financing statement or continuation statement, and to file the same as may be appropriate, and Borrower agrees that filed photocopies of financing statements and continuation statements shall be sufficient to perfect Bank's security interests hereunder.
- C. Taxes Borrower will pay and discharge, when due, all taxes, levies, liens, and other charges on its inventory, equipment or other assets, and will pay promptly when due all other taxes, including withholding taxes.
- D. Laws Borrower will comply at all times with all laws, ordinances, rules and regulations of any Federal, State, municipal or other public authorities having jurisdiction of Borrower or any of its assets.
- E. Name or Location Borrower will immediately advise Bank in writing of the opening of any new place of business or the closing of any of its existing places of business, and of any change in Borrower's name or the location of the places where the Collateral, or books and records pertaining to the Collateral, are kept.
- F. Records Borrower will maintain such records with respect to Collateral and the conduct and the operation of its business as Bank may request and will furnish Bank all information with respect to the Collateral and the conduct and operation of its business including, but not limited to, balance sheets, operating statements and other financial information, as Bank may request.
- G. Inspection Bank or any of its representatives may from time to time inspect, check, make copies of or extracts from the books, records and files of Borrower, and inspect any of the Collateral wherever located. Borrower will make same available at any time for such purposes.
- H. Misrepresentation Borrower will not make or furnish Bank any representation, warranty, or certificate in connection with or pursuant to this Agreement which is materially false.
- I. Insurance Borrower will have and maintain insurance on Collateral at all times and against hazards with companies, in amounts and in form, acceptable to Bank, with the insurance policies endorsed to make same payable first to Bank, as its interest may appear, as lender loss payee or other additional insured (as Bank may select). In event of any loss thereunder, the carriers named therein are hereby directed to make such payment for loss to Bank, and not to Borrower and Bank jointly. If any insurance losses are paid by check, draft or other instruments payable to Borrower or to Borrower and Bank jointly, Bank may endorse the name of Borrower thereon and do such other things as it may deem desirable in order to reduce the same to cash. All loss recoveries received by Bank upon any insurance may be applied and credited by Bank at its discretion to the indebtedness of Borrower to it.
- J. Bank's Duty of Care Except as herein provided in this Section III (J), Bank's sole duty with respect to the Collateral shall be to use reasonable care in the custody, use, operation and preservation of Collateral in its possession, and Borrower shall reimburse the Bank for all costs and expenses, including insurance costs, taxes and other charges, incurred in connection with the custody, use, operation, care or preservation of the Collateral, such reimbursement to be secured as provided above in Section I. In the event that Bank takes possession of the Collateral by foreclosure as provided in Section V (B) herein or otherwise, Bank may, but shall be under no obligation to, take such actions as it may deem appropriate to protect Collateral by insurance or otherwise, and any expense so incurred shall likewise be reimbursed and secured as provided above in Section I. Bank shall incur no liability to Borrower for its failure to provide adequate protection or insurance for Collateral acquired by the Bank. Bank shall not be obligated to take any steps necessary to preserve any rights in any of the Collateral against prior parties, and Borrower hereby agrees to take such steps. Borrower hereby waives the defense of unjustifiable impairment of Collateral.
- K. Repair Borrower will keep and maintain the Equipment in good order and repair and in working condition.
- L. Paydown Without the prior written consent of Bank, Borrower will not sell or otherwise dispose of any of the Equipment without paying to Bank, in reduction of Borrower's loan balance, an amount equal to the greater of the book value, appraised value or sale price of the Equipment sold or disposed of.
- M. Personalty The Equipment shall be and remain personal property and nothing shall affect the character of the same or cause the same to become realty, or prevent Bank in its option from removing the Equipment from the premises on which they may become attached, in the event of default hereunder.
- N. Further Covenants Without the prior written consent of Bank, Borrower will not: (1) pledge or grant any security interest in any Collateral to anyone except Bank, nor permit any financing statement (except Bank's financing statement) to be on file in any public office with respect thereto; (2) permit or suffer any lien, levy or other encumbrance to attach to any of the Collateral; or (3) make any agreement, compromise, settlement, bulk sale, lease or transfer of assets other than in the normal course of business. In addition, if the scope of Bank's security interest is as defined in Section I (A)(1)(a) above, then without the prior written consent of Bank, Borrower will not: (1) create, incur or assume any liability for borrowed money, except borrowings from Bank; (2) assume, guarantee, endorse or otherwise become liable in connection with the obligations of any person, firm or corporation, except by endorsement of instruments for deposit or collection or similar transactions in the ordinary course of business; (3) enter into any merger or consolidation, or sell or lease substantially all of its assets; or (4) purchase or acquire the obligations or stock of any person, firm or corporation or other enterprise whatsoever, other than the direct obligations of the United States or Bank; **SEE**



#### IV. EVENTS OF DEFAULT

The following shall constitute a default hereunder:

RIDER NO. 4

- A. Nonperformance Default in the performance of or breach of any provision or warranty of this Security Agreement, the note(s) or other agreements secured hereby, or any other agreement of Borrower with Bank or with any other lending institution, whether such agreements presently exist or are hereafter executed;
- B. Financial Condition Financial condition determined by Bank in good faith to be unsatisfactory, insolvency, suspension of business, or an act amounting to business failure committed by Borrower;
- C. Assignments Any assignment made by Borrower for the benefit of creditors;
- D. Judgments Any judgment obtained against Borrower which remains unsatisfied for thirty (30) days;
- E. Bankruptcy The filing of a petition by or against Borrower (1) under any chapter of the Bankruptcy Code as amended, or any other bankruptcy or insolvency law, or (2) for the appointment of a receiver of the property of Borrower;
- F. Extraordinary Acts The sale, dissolution, merger, consolidation, liquidation or reorganization of any Borrower which is a corporation, partnership or other legal entity;
- G. Attachments The filing of an attachment or tax lien against any of Borrower's property, such lien or attachment not being promptly discharged, stayed or indemnified against to Bank's satisfaction; or
- H. Death Death of Borrower or of any guarantor of or surety for Borrower's Obligations. **SEE RIDER NO. 5**

#### V. REMEDIES

- A. Costs of Collection If an Event of Default hereunder shall occur, Bank shall be entitled to recover from Borrower attorneys' and paralegal fees equal to 15% of the unpaid balance of the Obligations at the time of default (but not to exceed the amount permitted by applicable law), plus court costs and other expenses which may be incurred by Bank in the enforcement or attempted enforcement of its rights hereunder, whether against any third party, Borrower, or guarantors. Expenses recoverable from Borrower shall include costs of collection including salaries, out-of-pocket travel, living expenses and the hiring of agents, consultants, accountants, or otherwise. All sums of money thus expended, and all other monies expended by Bank to protect its interest in the Collateral (including insurance, taxes or repairs) shall be repayable by Borrower to Bank on demand, such repayment to be secured as provided above in Section I.

- B. Foreclosure Upon a default, in addition to remedies provided under the Uniform Commercial Code, Bank at any time then or thereafter, in its discretion, may lawfully enter any of Borrower's premises or the premises where the Collateral is located, and with or without judicial process, lawfully remove, under Section 9-503 of the Uniform Commercial Code, the Collateral or records thereof to such a place as Bank may deem advisable, or require Borrower to assemble and make any or all such Collateral available at such reasonable place as Bank may direct, and, upon reasonable notice to Borrower and other parties entitled to notice, realize upon all or any part of the Collateral at public auction or private sale, in one or more sales, at such price or prices, and upon such terms either for cash or credit, or future delivery as Bank may elect; and/or Bank may foreclose its security interest in the Collateral in any way permitted by law. Borrower agrees that the Bank may foreclose on and sell the Collateral pursuant to Maryland Rule W-78, and assents to the passing of a decree for the sale of the Collateral upon default. At any such public sale or sales Bank may bid for and become the purchaser of any or all such Collateral. The net proceeds of any sale and any amounts received in liquidation of the Collateral, less all costs and expenses incurred in connection therewith, including attorney's and paralegal fees equal to 15% of the unpaid balance of the Obligations at the time of default (but not to exceed the amount permitted by applicable law) and, at the option of the Bank, less any prior lien claims, shall be applied against the Obligations of Borrower in the order that Bank in its sole discretion shall decide, and Borrower or other party entitled thereto shall be entitled to any surplus resulting therefrom. Any actions taken by Bank pursuant hereto shall not affect Borrower's continuing liability to Bank for any deficiency remaining after any foreclosure.
- C. Redemption The purchaser at any such sale shall thereafter hold the Collateral absolutely free from any claim or right of whatsoever kind including any equity of redemption of Borrower, and such demand, notice or right in equity are hereby expressly waived and released by Borrower.
- D. Replevin Borrower hereby authorizes and empowers any attorney or clerk of any court of record upon the occurrence of any event of default to appear for and confess judgment against Borrower (as of any term of court) without prior notice to Borrower or prior opportunity to be heard in an action for replevin instituted by Bank to obtain possession of any of the Collateral. If a copy of this Agreement, verified by affidavit of Bank or sworn on behalf of Bank, is filed in such action, it shall not be necessary to file the original Agreement as a warrant to the attorney or clerk. The authority and power to appear for and enter judgment against Borrower shall not be exhausted by one or more exercises hereof or by any imperfect exercises hereof, and shall not be extinguished by any judgment entered pursuant thereto; this authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as Bank shall deem necessary or desirable, for all of which this Agreement shall be sufficient authority.
- E. Offset Bank is further authorized in event of any default by Borrower in its performance of this Agreement, or any and all other agreements with Bank, to charge the sum then due to Bank against any and all monies held by or on deposit with Bank on account of Borrower or its affiliates, and to offset any amounts against any demand or depository accounts which Borrower, or its affiliates, may have with Bank and to enforce such other remedies as may be available at law or in equity, without necessity of election.
- F. Alternative Remedies Bank may enforce its security interest hereunder either alternatively or concurrently with its rights under any and all other agreements between it and Borrower and shall have the full right to realize upon all available Collateral, collecting on the same or instituting proceedings in connection therewith, until Bank receives payment in full of all amounts owing to it under any of its agreements with Borrower, including principal, interest, costs and expenses, and costs of enforcement or attempted enforcement of this or any other agreement among or between Bank and Borrower or any endorsers or guarantors.
- G. Return of Collateral Upon payment in full and performance of all Obligations secured hereby, all Collateral not previously foreclosed may be returned by Bank to Borrower.

## VI. GENERAL PROVISIONS

SEE RIDER NO. 6

- A. Continuity and Termination This Agreement shall become effective immediately and remain in effect so long as any Obligation of Borrower to Bank is outstanding and unpaid, provided that the security interests hereunder shall continue in full force and effect and are non-cancellable by Borrower prior to the termination of this Agreement. The Agreement may be terminated by Borrower upon actual delivery of written notice to Bank of such intention, and payment in full of all then existing Obligations secured hereby; provided, however, that such notice and payment shall in no way affect, and this Agreement shall remain fully operative with respect to, any Obligations, or commitments which may become Obligations, entered into between Borrower and Bank prior to receipt of such notice or payment, whichever is later.
- B. Other Documents The Obligations secured by this Agreement are or shall be evidenced by notes, guaranties, or other documents which are separate agreements and may be negotiated by Bank without releasing Borrower, Collateral or any guarantor or co-maker. This Agreement specifically incorporates by reference all of the language and provisions of such notes, guaranties or other documents. Borrower consents to any extension of time of payment of any Obligations. If there is more than one Borrower, guarantor or co-maker of this Agreement or of the notes or other agreements secured hereby, the obligation of all shall be primary, joint and several.
- C. Remedies Cumulative All rights, remedies and powers of Bank hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of Bank whether in or by any other instruments or any laws, including but not limited to the Uniform Commercial Code, now existing or hereafter enacted.
- D. Loans and Advances Nothing contained herein shall be construed as obligating Bank to make any particular loan or advance to Borrower, and Borrower is not relying upon Bank to make or continue to make advances for any purpose whatsoever. All such loans or advances remain within the discretion of Bank.
- E. Non-Waiver Any indulgence or delay on the part of Bank in exercising any power, privilege or right hereunder or under any other agreement executed by Borrower to Bank in connection herewith shall not operate as a waiver thereof. No single or partial exercise of any power, privilege or right shall preclude other or further exercise thereof, or the exercise of any other power, privilege or right.
- F. Governing Law; Severability This Security Agreement shall be construed and governed by the laws of the State of Maryland. If any part of this Security Agreement shall be adjudged invalid or unenforceable as of any term of court, then such partial invalidity or unenforceability shall not cause the remainder of this Agreement to be or become invalid or unenforceable, and if a provision hereof is held invalid or unenforceable in one or more of its applications, it is agreed that said provision shall remain in effect in all valid or enforceable applications that are severable from the invalid or unenforceable application or applications.
- G. Litigation In the event of any litigation with respect to this Agreement, the promissory note(s) or other agreements secured hereby, the Collateral, or any other document or agreement applicable thereto, Borrower waives the right to a trial by jury and all defenses (including the defense of statute of limitations), right of setoff and right to interpose counterclaims of any nature. Borrower consents to the jurisdiction and venue of the courts of the State of Maryland, agrees that any proceedings enforcing or construing this Agreement may be brought in any State or Federal Court in Maryland, agrees that he is subject to service of process under Section 6-103 of the Courts and Judicial Proceedings Article of the Maryland Code, and agrees to accept such service as is authorized by such statute and prescribed in the Maryland Rules of Procedure.
- H. Construction The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision thereof. If this Agreement is signed by two or more parties as Borrowers, they shall be jointly and severally liable hereunder, and the term "Borrower" shall mean each and every party signing this Agreement as a Borrower. The use of singular herein may also refer to the plural, and vice versa, and the use of the neuter or any gender shall be applicable to any other gender or the neuter.
- I. Assignment Neither of the parties shall be bound by anything not expressed in writing. This Agreement shall enure to and be binding upon the heirs, personal representatives, successors, and assigns of Borrower and Bank, and the terms "Borrower" and "Bank" shall include and mean, respectively, the successors and assigns of Borrower and Bank.
- J. Reasonable Notice In connection with notices given it is agreed in all instances that five (5) business days notice is reasonable notice. Notice shall be deemed given when delivered or deposited in U.S. mails with first class postage. SEE RIDER NO. 7



VII. ADDITIONAL COVENANTS

In addition to the other terms and conditions herein, Borrower represents, warrants and covenants that:  
(add any additional loan covenants; if none, so state)

SEE RIDER NO. 8



VIII. ADDRESSES

Address of Chief Executive Office 1348 Greenland Trace  
DeLand, Florida (Telephone) \_\_\_\_\_

Address of Location of Books and Records Relating to Collateral 1348 Greenland Trace  
DeLand, Florida (Telephone) \_\_\_\_\_

Other Address(es) of Location of Collateral (if any) \_\_\_\_\_ (Telephone) \_\_\_\_\_

IN WITNESS WHEREOF, and intending to be legally bound hereby, Borrower has executed this Security Agreement under seal on the day and year first above written, at DeLand, FL.

WITNESS OR ATTEST\*:

\_\_\_\_\_  
Denise Bigot Secretary  
(Print Name)

\*NOTE: Attestation of a corporate officer's capacity to sign by another corporate officer is required in all corporate transactions.

WITNESS:

\_\_\_\_\_  
(Print Name)  
\_\_\_\_\_  
(Print Name)  
\_\_\_\_\_  
(Print Name)

FLORAIL, INC. (SEAL)  
Borrower (Name of Organization)

By \_\_\_\_\_ (Authorized Signature) (SEAL)

Glaude Bigot President  
(Print Name and Title)

By \_\_\_\_\_ (Authorized Signature) (SEAL)

\_\_\_\_\_  
(Print Name and Title)

IF ANY BORROWERS ARE INDIVIDUALS, THEY SIGN BELOW:

\_\_\_\_\_  
(Signature of Borrower) (SEAL)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City-State-Zip) (Telephone)

\_\_\_\_\_  
(Signature of Borrower) (SEAL)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City-State-Zip) (Telephone)

ACCEPTED AT BALTIMORE, MARYLAND AS OF THE DATE THEREOF:  
The First National Bank of Maryland

By: [Signature]  
Paul M. LEAND, Jr. Transportation Executive  
(Print Name and Title)

SEE RIDER NO. 9



VII. ADDITIONAL COVENANTS

In addition to the other terms and conditions herein, Borrower represents, warrants and covenants that:  
(add any additional  
loan covenants;  
if none, so state)

SEE RIDER NO. 8



VIII. ADDRESSES

Address of Chief Executive Office 1348 Greenland Trace  
DeLand, Florida

(Telephone)

Address of Location of Books and Records Relating to Collateral 1348 Greenland Trace  
DeLand, Florida

(Telephone)

Other Address(es) of Location of Collateral (if any) \_\_\_\_\_

(Telephone)

IN WITNESS WHEREOF, and intending to be legally bound hereby, Borrower has executed this Security Agreement under seal on the day and year first above written, at \_\_\_\_\_

WITNESS OR ATTEST\*:

X [Signature]

Denise Bigot Secretary  
(Print Name)

(Print Name)

\*NOTE: Attestation of a corporate officer's capacity to sign by another corporate officer is required in all corporate transactions.

WITNESS:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

FLORAIL, INC. (SEAL)  
Borrower (Name of Organization)

By \_\_\_\_\_ (SEAL)  
(Authorized Signature)

Claude Bigot President  
(Print Name and Title)

By \_\_\_\_\_ (SEAL)  
(Authorized Signature)

(Print Name and Title)

IF ANY BORROWERS ARE INDIVIDUALS, THEY SIGN BELOW:

\_\_\_\_\_  
(Signature of Borrower) (SEAL)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City-State-Zip) (Telephone)

\_\_\_\_\_  
(Signature of Borrower) (SEAL)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City-State-Zip) (Telephone)

ACCEPTED AT BALTIMORE, MARYLAND AS OF THE DATE THEREOF:  
The First National Bank of Maryland

By: \_\_\_\_\_

(Print Name and Title)



SEE RIDER NO. 9

RIDERS TO  
SECURITY AGREEMENT  
EQUIPMENT  
BY FLORAIL, INC. IN FAVOR OF THE FIRST NATIONAL BANK OF MARYLAND  
DATED AS OF MARCH 1, 1993

RIDER NO. 1

For the purposes of this Security Agreement:

"Cars" means the sixteen (16) used covered 100-ton, 4750 cu. ft., thrall built hopper cars purchased by Borrower from Heleasco Six, Inc. pursuant to a Sales Agreement dated March 1, 1993.

"Casualty Occurrence" shall have the meaning set forth in Section VII(F) hereof.

"Collateral Account" shall have the meaning ascribed to it in Section III(Y)(b) hereof.

"Default" means any condition or event which with the giving of notice or lapse of time, or both, would, unless cured or waived, become an Event of Default.

"Event of Default" means any of the events specified in Section IV of this Security Agreement.

"ICC" means the Interstate Commerce Commission or any successor agency thereto.

"Interchange Rules" means all codes, rules, interpretations, laws and orders governing the hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted with the rail industry as being applicable to the Cars, as adopted and in effect from time to time by the Association of American Railroads, or any successor.

"Lease" means a lease with respect to any or all of the Cars, in form and substance acceptable to Bank.

"Loan Documents" means the promissory note secured hereby, this Security Agreement Equipment, the UCC-1 financing statements and all other instruments, documents or agreements relating to the Obligations, both now or hereafter executed and/or delivered by Borrower to Bank.

"Person" means an individual, a corporation, a partnership, a joint venture, a trust, an estate, an unincorporated association, a governmental authority or any other entity.

RIDER NO. 2

(a) the Cars and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Cars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Cars or otherwise relating to any of the Collateral;

(d) all rights, claims and causes of action, if any, which Borrower may have now or in the future against any manufacturer, rebuilder or seller of the Cars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Cars or any part thereof;

(e) any agreement hereafter entered into for leasing the Cars to any third party, including, without limitation, the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by Borrower in respect of the Cars;

(g) all monies and other funds from time to time on deposit in the Collateral Account, all interest payable thereon and all rights incident thereto; and

(h) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

RIDER NO. 3

H. Enforceability. This Security Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding agreement, enforceable against it in accordance with its terms.

I. No Adverse Fact. No fact or circumstance is known to it, which, either alone or in conjunction with all other such facts and circumstances known to it, has had or might in the future have (so far as it can foresee) a materially adverse effect upon its ability to perform its obligations under this Security Agreement or with respect to the Collateral.

J. No Default, etc. No Default or Event of Default has occurred and is continuing. It is not in default of the terms of any agreement or instrument, or any order, injunction or decree of any court or governmental authority, binding upon it or to which it is a party which would either directly or indirectly impair or otherwise affect Bank's security interest in, and rights with respect to, the Collateral.

K. Principal Place of Business; Location of Books and Records. The principal place of business and chief executive office of Borrower is at 1348 Greenland Trace, DeLand, Florida 32721. The books and records of Borrower are located at the address specified above and are not subject to the control of any Person other than Borrower and its employees for the purposes of administration, servicing, collection or otherwise, nor does any other Person have any interest therein.

L. No Other Agreements. There is no agreement, oral or written, between Borrower or any other Person with respect to the use of the Cars.

RIDER NO. 4

or (5) sell, lease, sublease, or otherwise transfer or dispose of any of the Collateral; or (6) assign any of its rights under the any Lease to any Person other than the Bank or permit any lessee to assign its obligations to any other Person, it being understood that any lessee may engage in inter-line sharing of Cars to the extent customary in the railroad industry; or (7) permit any transfer, sale, pledge, hypothecation, conveyance or other disposition of legal, beneficial or other title to any of the ownership interests of the Borrower or change its executive management.

O. Use And Maintenance.

(a) Borrower shall use, and cause each lessee and permitted sublessee to use, the Cars only in the manner for which they were designed and intended and so as to subject them only to reasonable wear and tear from proper use alone excepted. The Cars shall not be used in any manner that is in violation of, or more hazardous than permitted by, the insurance maintained hereunder. Borrower agrees that it will not, and will cause each lessee and permitted sublessee not to, discriminate against any Car (as compared to other similar equipment owned or leased by them) with respect to its use, operation or maintenance in contemplation of the expiration or termination of any Lease or sublease.

(b) At its own expense, Borrower shall maintain, service, repair, overhaul and keep, and cause each lessee and permitted sublessee to maintain, service, repair, overhaul and

keep, the Cars and all component parts thereof (i) in good operating condition and repair, (ii) suitable for the commercial use they were originally designed and intended for, (iii) in accordance with prudent Class I railroad industry maintenance practices, (iv) in a manner consistent with maintenance practices used by it in respect of equipment owned or leased by it similar in nature to the Cars, (v) in compliance with all applicable laws, and (vi) eligible for railroad interchange in accordance with the all applicable Interchange Rules. Borrower shall perform, and cause each lessee and permitted sublessee to perform, all inspections of the Cars and maintain all records, logs and other materials required to be maintained in respect of the Cars by the United States Department of Transportation or any other governmental authority having jurisdiction over the Borrower, such lessee or permitted sublessee.

(c) Borrower shall not make, nor permit any lessee or any permitted sublessee to make, any additions, improvements, modifications or alterations to the Cars unless consented to in writing by Bank and then only to the extent that such additions, improvements, modifications and alterations (other than those mandated pursuant to the terms hereof) are readily removable without causing material damage to the Cars or otherwise adversely affecting their value and/or utility.

P. Use and Possession in Railroad Operations. So long as no Default or Event of Default shall have occurred, Borrower and each lessee and permitted sublessee shall be entitled to the possession of the Cars and to the use thereof upon the lines of railroad owned or operated by them, or upon lines of railroad over which they or any of their affiliates have trackage or other operating rights pursuant to any contract, or upon connecting and other carriers' trackage in the usual interchange of traffic or pursuant to run-through or pooling arrangements, but only upon and subject to all the terms and conditions of this Security Agreement. Notwithstanding the foregoing, in all events, the Cars shall be used predominantly within the continental United States of America.

Q. Marking of Cars. Borrower shall, at its sole cost and expense, cause the Cars to be kept (a) numbered with the reporting marks set forth in Schedule 1 attached hereto and made a part hereof, or in the case of any item of equipment not there listed, such identifying number as shall be set forth in any amendment or supplement hereto that extends this Security Agreement to cover such equipment, and (b) marked, plainly, distinctly, permanently and conspicuously by a plate or stencil printed in contrasting colors upon each side of each Car in letters not less than one inch in height the words "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission," or other appropriate markings approved in writing by Bank, with appropriate changes thereof and additions thereto as from time to time may be required by applicable law in order to protect Bank's security interest in, and lien on, the Cars. Borrower shall cause, and

cause each lessee and permitted sublessee, at its sole cost and expense, to cause any such markings that may be removed, defaced, obliterated or destroyed to be promptly replaced and shall not change, or permit any lessee or permitted sublessee to change the reporting marks of the Cars unless and until (x) a statement of the new marks to be substituted therefor shall have been filed with Bank and filed, recorded and deposited by Borrower in all public offices where this Security Agreement shall have been filed, recorded and deposited, and (y) Borrower shall have furnished Bank an opinion of counsel to the effect that nothing further needs to be done to maintain the perfection and priority of Bank's security interest in, and lien on, the Cars and other Collateral pledged to secure Borrower's Obligations to Bank.

R. Prohibition against Certain Designations. Borrower will not allow the name of any Person other than Borrower to be placed on any of the Cars as a designation that might be interpreted as a claim of ownership; provided, however, that Borrower may permit any lessee or permitted sublessee to cause the Cars to be lettered with the names or initials or other insignia customarily used by such lessee or permitted sublessee on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Cars as permitted by any Lease or permitted sublease.

S. Registration of Cars. Borrower shall, at its sole cost and expense, register or cause to be registered the Cars and any substitute or replacement equipment in accordance with any and all applicable registration requirements of the Association of American Railroads, the United States Department of Transportation, the ICC or other agency having jurisdiction over the Cars.

T. Rules, Laws and Regulations. Borrower shall comply, and shall cause each lessee and permitted sublessee to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Cars), with all applicable laws, including all Interchange Rules and all rules and regulations of the United States Department of Transportation, the Federal Railroad Administration, and the ICC or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Cars. In case any equipment or appliance is required to be altered, added, replaced or modified on any Car in order to comply with such applicable laws, Borrower, at its sole cost and expense, shall make, or shall cause the lessee or permitted sublessee (as the case may be) to make, such alterations, additions, replacements and/or modifications, and title thereto shall be immediately vested in Borrower, free and clear of any liens and encumbrances, whatsoever other than the interests of Bank.

U. Bank as Agent. Borrower hereby appoints Bank, its successors and assigns, the true and lawful attorney of Borrower, irrevocably and with full power of substitution, in the name of

Borrower or otherwise, (a) to demand, receive, compromise, sue for, and give acquittance for, any and all rents, profits, moneys and claims for money due and to become due with respect to the Collateral or otherwise arising out of this Section III; (b) to endorse any checks or other instruments or orders in connection therewith; and (c) following an Event of Default, to make all waivers and agreements and to file any claims or take any actions or institute any proceedings with respect thereto which Bank may deem reasonably necessary or advisable.

Anything herein contained to the contrary notwithstanding, neither Bank nor its nominee or assignee shall have any obligation or liability by reason of or arising out of this Section III to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amount to which it may be entitled at any time or times by virtue of this Section III.

V. Disclaimer by Bank. Bank makes no representations or warranties with respect to the Collateral or any part thereof. Bank shall not be chargeable with any obligations or liabilities of Borrower with respect to the Collateral. Bank shall have no liability or obligation arising out of any claims, known or unknown, with respect to the Collateral.

W. Rights of Bank and Duties of Borrower. Bank may at any time and from time to time both prior to and after the occurrence of an Event of Default hereunder, and Borrower hereby irrevocably appoints Bank as its attorney-in-fact (which appointment is irrevocable and coupled with an interest) to, with power of substitution, in the name of Bank or in the name of Borrower or otherwise, for the use and benefit of Bank, but at the sole cost and expense of Borrower and without notice to Borrower: (a) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (b) release, make exchanges or substitutions for, or surrender all or any part of the Collateral; (c) demand, collect, receipt for, and give renewals, extensions, discharges, and releases of any of the Collateral; (d) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (e) settle, renew, extend, compromise, compound, exchange, or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto; and (f) endorse the name of Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor.

X. Performance by Bank. If Borrower fails to perform, observe, or comply with any of the conditions, terms, or covenants contained in this Security Agreement, Bank, without notice to or demand upon Borrower and without waiving or releasing any of the Obligations or any Event of Default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms, or covenants for the account and at the expense of Borrower,

and may enter upon any place of business or other premises of Borrower for that purpose and take all such action thereon as Bank may consider necessary or appropriate for such purpose. All sums paid or advanced by Bank in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith together with interest thereon at a per annum rate of interest which is equal to the default rate under any promissory note secured hereby, from the date of payment until repaid in full, shall be paid by Borrower to Bank on demand and shall constitute and become a part of the Obligations secured hereby.

Y. Leases.

(a) Rents and Other Payments. Any rents or other sums paid under any Lease and received by Bank pursuant to this Security Agreement shall be held by Bank as part of the Collateral and, so long as no Event of Default shall have occurred, be applied as follows:

(1) Rents. The amounts from time to time received by Bank that constitute payment of rent under any Lease shall be applied: first, to any unpaid costs or expenses of Bank incurred pursuant to this Security Agreement or any of the other Loan Documents; second, to late charges and prepayment premium, if any; third, to all accrued but unpaid interest; fourth, to principal due on the next scheduled principal payment date; and fifth, the balance, if any, shall be remitted to Borrower, by crediting the principal amount thereof to Borrower's direct deposit account at Bank (provided, however, that in the event that an instrument by which a rent payment was made is subsequently dishonored, Borrower promptly shall refund to Bank the amount of any funds actually received by it).

(2) Casualty Payments. Any amounts received by Bank that constitute payment on account of a casualty occurrence pursuant to any Lease shall be applied: first, in accordance with clauses first, second and third of sub-part (a)(1) of this Section III(Y); second, to prepay (in whole or in part, as applicable) the unpaid principal balance of the Obligations in accordance with the provisions of Section III(Z) hereof; and third, the balance, if any, shall be remitted to Borrower, by crediting the principal amount thereof to Borrower's direct deposit account at Bank (provided, however, that in the event that an instrument by which a casualty payment was made is subsequently dishonored, Borrower promptly shall refund to Bank the amount of any funds actually received by it).

(3) Lease Default Payments. Any amounts received by Bank pursuant to the exercise of the rights and remedies provided in any Lease (or otherwise available at law or in equity as a result of the occurrence of an event of default under any Lease, as the case may be) shall be applied: first, in accordance

with clause first of sub-part (a)(2) of this Section III(Y); second, to prepay in whole the then unpaid principal balance of the Obligations; third, to pay any other sums then due and owing to Bank; and fourth, the balance, if any, shall be remitted to Borrower, by crediting the principal amount thereof to Borrower's direct deposit account at Bank (provided, however, that in the event that an instrument by which a lease default payment was made is subsequently dishonored, Borrower promptly shall refund to Bank the amount of any funds actually received by it).

(b) Collateral Account. Borrower shall establish and maintain an account with Bank (the "Collateral Account") and shall direct the Lessee, any other lessee or permitted sublessee to make all future payments of rent, casualty payments and other sums due and to become due from time to time under any Lease directly to Bank, for deposit into the Collateral Account; and in furtherance thereof, shall: (i) execute and deliver to Bank such documents as may be required to establish such account, and (ii) execute and cause each lessee and each permitted sublessee (as applicable) to acknowledge its receipt of notice of such assignment directing such party to make all future payments of rent, casualty payments and all other sums due under such Lease directly to Bank as provided herein. All monies deposited into the Collateral Account shall be applied by Bank as provided in subpart (a) of this Section III(Y) and otherwise as Bank, in the exercise of its sole discretion, shall determine.

Z. Mandatory Prepayments. In the event that one or more of the Cars sustains a Casualty Occurrence, Borrower, after payment of all costs, unpaid late charges, if any, and all accrued but unpaid interest then due, shall pay to Bank the Casualty Value of each Car sustaining a Casualty Occurrence. Concurrently with payment of such amount, Borrower shall deliver to Bank a certificate setting for the reporting mark(s) of the Car(s) sustaining a Casualty Occurrence. All monies received by Bank pursuant to the provisions of this Section III(Z) shall, after payment of all outstanding late charges, if any, and accrued but unpaid interest, be applied to prepay (without premium), in inverse order of maturity, the remaining principal installments due under any promissory note secured hereby.

#### RIDER NO. 5

I. Breach of Representations and Warranties. Any representation or warranty made herein shall prove to have been false or misleading in any material respect when made or shall omit any fact necessary not to make any such report, certificate, opinion, financial statement or other instrument not misleading.

J. Judgment; Attachment. A judgment is entered or an attachment is levied against the Collateral and remains unsatisfied or not fully bonded (in Bank's sole judgment) for a period of

fifteen (15) days after entry of such judgment or such attachment has lain.

K. Mechanics Liens. A lien for the performance of work or the supply of materials is filed against any of the Collateral and remains unsatisfied or not fully bonded (in Bank's sole judgment) for a period of fifteen (15) days after the creation thereof.

L. Cross Default. Borrower, any guarantor of any of the Obligations or any affiliate of Borrower shall be in default under any direct, indirect or contingent material obligation or indebtedness now or hereafter existing in favor of Bank or any other Person. For purposes hereof, an "affiliate" of Borrower shall mean any Person that controls, is controlled by or is under common control with Borrower.

M. Prospects for Payment Impaired. Bank shall determine in good faith that its prospects for payment of the Obligations are impaired for any reason.

N. Default Under Lease. An event of default shall have occurred under any Lease.

#### RIDER NO. 6

H. Rights and Remedies. Upon the occurrence of an Event of Default (whether or not declared to be such by Bank), and in every such event and at any time thereafter, Bank shall have all of the rights and remedies of a secured party under 49 U.S.C. § 11303 and may at Borrower's sole cost and expense, in addition to all other rights and remedies provided hereunder or under the other Loan Documents or as shall exist at law or in equity from time to time, without notice to Borrower:

(a) institute legal proceedings for the appointment of a receiver or receivers pending foreclosure and sale of the Collateral under the order of a court of competent jurisdiction or under other legal process;

(b) demand, collect, and retain all rents, earnings and all other sums due and to become due from any Person whomsoever, accounting only for net earnings arising after charging against all receipts from the use of or sale of the Collateral, all costs and expenses of, and damages or losses by reason of, such use or sale;

(c) if and to the extent the Event of Default results from a breach by Borrower of any representation, warranty or covenant of Borrower contained herein or in any of the other Loan Documents, institute legal proceedings against Borrower to enforce performance of the applicable covenant of Borrower or to recover damages for the breach of any such representation, warranty or covenant; and/or

(d) make such use of Borrower's place(s) of business as may be reasonably necessary to administer, control and collect the Collateral.

I. Power of Attorney. Borrower hereby appoints Bank as its attorney-in-fact to accomplish any of the rights and remedies set forth in this Section V, in the name of Borrower, Bank, or Bank's designees as Bank may from time to time elect, said appointment being irrevocable and coupled with an interest. Borrower hereby ratifies and approves all acts of Bank as its attorney-in-fact and will not hold Bank liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law.

J. Expenses and Proceeds. Borrower shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of Bank in preparing for sale or other disposition, selling, managing, collecting or otherwise disposing of, the Collateral. All of such costs and expenses (the "Liquidation Costs") together with interest thereon from the date incurred until paid in full at the default rate under any promissory note secured hereby, shall be paid by Borrower to Bank on demand and shall constitute and become a part of the Obligations. Any proceeds of sale or other disposition of the Collateral will be applied by Bank to the payment of the Liquidation Costs, and any balance of such proceeds will be applied by Bank to the payment of the balance of the Obligations in such order and manner of application as Bank may from time to time in its sole discretion determine. After such application of the proceeds, any balance shall be paid to Borrower or to any other Person entitled thereto.

K. Right to Purchase Collateral. At any sale pursuant to this Section V, Bank or its agent may, to the extent permitted by applicable law, bid for and, if Bank is the highest bidder, purchase the Collateral offered for sale, may use any claim for the Obligations payable to it as a credit against the purchase price thereof and, upon compliance in full with the terms of such sale, may hold, retain and dispose of such property without further accountability therefor to Borrower or any other Person.

L. Borrower's Duty to Return. If, following the occurrence of an Event of Default, Bank requests Borrower to assemble and return all Cars to it, Borrower shall forthwith deliver, or cause to be delivered, possession of the Cars to Bank. For the purpose of delivering possession of the Cars to Bank as above required, Borrower shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Car or Cars have been interchanged to return the Car or Cars so interchanged) place such Cars upon such storage tracks in the continental United States of America as Bank reasonably may

designate, or, in the absence of such designation, as Borrower may select;

(b) permit Bank to store such Cars on such tracks at the risk of Borrower until such Cars have been sold, leased or otherwise disposed of by Bank and during such period of storage, Borrower shall continue to maintain all insurance required hereunder and shall otherwise satisfy all of its other obligations hereunder; and

(c) cause any or all of the Cars to be moved to such interchange point or points in the continental United States of America as shall be designated by Bank upon any sale, lease or other disposal of such Cars.

M. Specific Performance. The assembling, delivery, storage and transporting of the Cars as hereinbefore provided shall be at the sole expense and risk of Borrower and are of the essence of this Security Agreement, and upon application to any court of equity having jurisdiction in the premises Bank shall be entitled to a decree against Borrower requiring specific performance of the covenants of Borrower so to assemble, deliver, store and transport the Cars. During any storage period, Borrower will permit Bank or any Person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Car, to inspect the same; provided, however, that Borrower shall not be liable, except in the case of negligence of Borrower or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Bank or any prospective purchaser, the rights of inspection granted under this sentence.

N. Bank Appointed Borrower's Agent. Without in any way limiting the obligation of Borrower under the foregoing provisions of this Section V, Borrower hereby irrevocably appoints Bank as the agent and attorney of Borrower, with full power and authority (which power is irrevocable and coupled with an interest), at any time while Borrower is obligated to deliver possession of any Car to Bank, to demand and take possession of such Car in the name and on behalf of Borrower from whosoever shall be at the time in possession of such Car.

#### RIDER NO. 7

K. Waiver by Borrower. To the fullest extent that they may lawfully so agree, Borrower shall not at any time insist upon, claim, plead, or take any benefit or advantage of, any appraisal, valuation, stay, extension, moratorium, redemption or any similar law now or hereafter in force in order to prevent, delay or hinder the enforcement of this Security Agreement or any of the other Loan Documents or the absolute sale of any part or all of the Collateral or the possession thereof by any purchaser at any sale pursuant to Section V hereof. Borrower, for itself and all who may claim by, through or under them, as far as it now or hereafter lawfully may

so do, hereby waive the benefit of all such laws and all right to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose under this Security Agreement may order the sale of the Collateral as an entirety or in lots.

L. Waivers; Amendments. Any term, covenant, agreement or condition of this Security Agreement may be amended or waived, and any departure therefrom may be consented to, if, but only if, such amendment, waiver or consent is in writing and is signed by Bank and, in the case of each amendment, is signed by Borrower. Unless otherwise specified in such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

M. Entire Agreement. This Security Agreement and the other Loan Documents embody the entire agreement between the parties hereto and supersede all prior agreements, representations and understandings, if any, relating to the subject matter hereof.

RIDER NO. 8

Borrower covenants and agrees that so long as any Obligations remain outstanding, it shall:

A. Valid Existence. Maintain at all times its valid corporate existence in the State of Florida and shall qualify or register to do business as a foreign corporation in each jurisdiction in which the character of the property owned by it or in which the transaction of its business makes such qualification necessary.

B. Encumbrances. Keep, and cause each lessee and permitted sublessee to keep, the Collateral free and clear from all liens and encumbrances and shall notify, and use its best efforts to cause each lessee and permitted sublessee to notify, Bank in writing immediately upon learning of any lien or encumbrance.

C. Repossession of Cars. Immediately upon the request of Bank and to the extent permitted by applicable law, exercise any rights it may have to repossess the Cars covered by any Lease pursuant to Section 1168 of Title 11 of the United States Code or any successor statute.

D. Compliance with AAR Regulations, etc. Comply, and use its best efforts to cause the each lessee and permitted sublessee to comply, with the rules and regulations of the Association of American Railroads and any successor organization thereof, the Federal Railroad Administration, the United States Department of Transportation and the ICC.



Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



J. Daniel Peterson  
Notary Public

[Notarial Seal]  
My commission expires: 8-25-96.

STATE OF MARYLAND )  
County Hanford ) SS:  
CITY OF BALTIMORE )

On this 1st day of March, 1993, before me, a Notary Public of the City and State aforesaid, personally appeared Paul M. Leand, Jr., to me personally known, who being by me duly sworn, says that he is a Leasing Executive of The First National Bank of Maryland, a national banking association, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said association 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 association.

AS WITNESS my hand and notarial seal

Paul M. Leand, Jr.  
Notary Public

[Notarial Seal]

My commission expires: 10-1-94.

Schedule 1

Sixteen (16) Used Covered 100-ton 4750 cu. ft. Thrall Built Hopper Cars bearing GNWR reporting marks and identified by road nos. 301380, 301381, 301387, 301388, 301390, 301392, 301396, 301397, 301481, 301482, 301484, 301486, 301490, 301492, 301493, and 301498.