

John Hancock Leasing Corporation

John Hancock Place  
Post Office Box 111  
Boston, Massachusetts 02117  
(617) 572-4610

Alan R. Seghezzi  
Vice President  
and Counsel

RECORDATION NO 17062 FILED 1423

OCT 18 1990 -3 00 PM

INTERSTATE COMMERCE COMMISSION



October 16, 1990

Secretary  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423

0-291A019

Dear Sir or Madam:

Enclosed for recordation under the provisions of 49 U.S.C. Section 11303 are two (2) original counterparts of the Chattel Mortgage, Assignment and Security Agreement dated as of September 28, 1990 between C.K. Industries, Inc. as debtor (hereinafter "Debtor") and John Hancock Leasing Corporation as secured party (hereinafter "Secured Party"). The document is a primary document.

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

Debtor: C.K. Industries, Inc. - Debtor  
P.O. Box 87  
DeLand, FL 32721-0087

Secured Party: John Hancock Leasing Corporation - Secured Party  
P.O. Box 111  
197 Clarendon Street  
Boston, MA 02117  
ATTN: Vice President - Credit Administrations

A description of the Equipment covered by the enclosed document is as follows: sixty (60) 52'6" 100 ton Gondolas bearing the railroad car numbers and markings listed on Schedule A attached hereto and incorporated herein by reference.

A fee of \$15.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned.

*Counterparts - Alan R. Seghezzi*

*FILED 10/19/90*

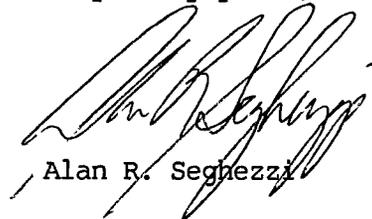
A brief description of the enclosed document is as follows:

In accordance with the Chattel Mortgage, Assignment and Security Agreement dated as of September 28, 1990 between C.K. Industries, Inc. as debtor ("Debtor") and John Hancock Leasing Corporations as secured party ("Secured Party"), Debtor has, among other things, (i) granted to Secured Party a security interest in sixty (60) 52'6" 100 ton Gondolas and (ii) assigned to Secured Party all of Debtor's right, title and interest (but none of the obligations) in, to and under that certain Railroad Equipment Lease By and Between Chrysler Rail Transportation Corporation and Consolidated Rail Corporation dated as of December 20, 1989. The interest of Chrysler Rail Transportation Corporation was assigned to Emons Marketing Services, Inc. by assignment dated June 18, 1990 and the interest of Emons Marketing Services, Inc. was assigned to Debtor by Assignment and Assumption Agreement dated June 29, 1990.

The undersigned is counsel to John Hancock Leasing Corporation and, as such, has knowledge of the matters set forth herein.

If you should have any questions, or if I may other otherwise be of assistance to you, please do not hesitate to contact me.

Very truly yours,



Alan R. Seghezzi

ARS/cle

Enclosures

ARS14.16  
101690

Schedule A

60 52'6" - - 100 Ton Gondolas

CAR NUMBER

GR 584800	CR 584827	CR 584854
CR 584801	CR 584828	CR 584855
CR 584802	CR 584829	CR 584856
CR 584803	CR 584830	CR 584857
CR 584804	CR 584831	CR 584858
CR 584805	CR 584832	CR 584859
CR 584806	CR 584833	
CR 584807	CR 584834	
CR 584808	CR 584835	
CR 584809	CR 584836	
CR 584810	CR 584837	
CR 584811	CR 584838	
CR 584812	CR 584839	
CR 584813	CR 584840	
CR 584814	CR 584841	
CR 584815	CR 584842	
CR 584816	CR 584843	
CR 584817	CR 584844	
CR 584818	CR 584845	
CR 584819	CR 584846	
CR 584820	CR 584847	
CR 584821	CR 584848	
CR 584822	CR 584849	
CR 584823	CR 584850	
CR 584824	CR 584851	
CR 584825	CR 584852	
CR 584826	CR 584853	

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

OFFICE OF THE SECRETARY

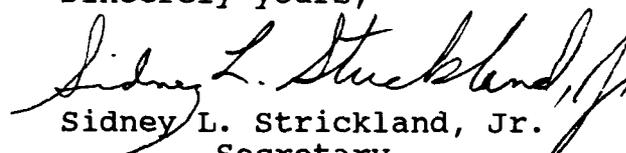
10/18/90

Alan R. Seghezzi  
Vice President and Counsel  
John Hancock Leasing Corporation  
P. O. Box 111  
Boston, Massachusetts 02117

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/18/90 at 3:00PM , and assigned recordation number(s). 17062.

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

OCT 18 1990 -3 00 PM

INTERSTATE COMMERCE COMMISSION

THIS CHATTEL MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT ("Security Agreement") made as of this 28th day of September, 1990 by and between John Hancock Leasing Corporation (the "Secured Party") and C. K. Industries, Inc. (the "Debtor").

WHEREAS, the Debtor is the owner of certain equipment described in Exhibit A attached hereto (the "Equipment"), which Equipment is subject to a certain Railroad Equipment Lease dated as of December 20, 1989 between Chrysler Rail Transportation Corporation as lessor and Consolidated Rail Corporation as lessee ("Lessee");

WHEREAS, lessor's interest in the Lease and the Equipment was assigned by Chrysler Rail Transportation Corporation to Emons Marketing Services, Inc. by assignment dated June 18, 1990 and further assigned by Emons Marketing Services, Inc. to the Debtor by Assignment and Assumption Agreement date as of June 29, 1990;

WHEREAS, the Debtor will issue its non-recourse note ("Note") in the principal amount of \$1,000,000 to the Secured Party such Note to be in substantially the form of Exhibit B hereto to the Secured Party;

WHEREAS, the interests of the Debtor in the Equipment, the Lease and certain obligations of Lessee thereunder are to be granted and assigned to, and retained by the Secured Party as security for the obligations of the Debtor under the Note and this Security Agreement;

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtor and the Secured Party hereby agree as follows:

Section 1. Grant of Security Interest

As security for the payment and performance of the obligations under that certain Non-Recourse Note of the Debtor dated as of September 28, 1990 ("Note") in the original principal amount of \$1,000,000.00 payable to the Secured Party and under this Chattel Mortgage, Assignment and Security Agreement ("Security Agreement"), the Debtor hereby (a) grants the Secured Party a first priority security interest in and lien on all of the Debtor's rights in the property described in Exhibit A attached hereto and made a part hereof, whether now owned by the Debtor or to be purchased by the Debtor with the proceeds of the Note (the "Equipment") and all proceeds of the Equipment, (b) assigns to Secured Party all monies due and to become due to the Debtor under that certain Railroad Equipment Lease dated December 20, 1989 by and between Chrysler Rail Transportation Corporation as lessor and Consolidated Rail Corporation as lessee (the "Lease"), which lease was assigned by Chrysler Railroad Transportation Corporation to Emons Marketing Services, Inc. by assignment dated June 18, 1990 (the "First Assignment") and assigned by Emons Marketing Services, Inc. to Lessor by that certain Assignment and Assumption Agreement dated as of June 29, 1990 (the "Second Assignment"), all of the Debtor's rights but not obligations under said Lease, and all proceeds thereof, (c) assigns to the Secured Party all rights but not obligations under the First Assignment and the Second Assignment, and (d) assigns to the Secured Party all proceeds of the Lease; excepting and reserving to the Debtor any and all amounts payable to the Debtor in its capacity as owner of the Equipment pursuant to any tax indemnity provided for in

the Lease or pursuant to any public liability insurance policy maintained under the Lease (the "Excluded Payments"). (The Equipment, the Lease, the First Assignment, the Second Assignment, all monies due and to become due and all rights under the Lease, the First Assignment and the Second Assignment, and all proceeds of any of the foregoing, excluding, however, the Excluded Payments, are herein collectively defined to be the "Collateral".)

## Section 2. Representations and Warranties of the Debtor

The Debtor hereby represents and warrants:

- (i) that the Note and Security Agreement have been duly authorized, executed and delivered by the Debtor and each constitutes the legal, valid and binding agreement and obligation of the Debtor, enforceable according to its terms;
- (ii) that neither the execution and delivery of the Note, the Security Agreement or the Lease nor the consummation of the transactions contemplated herein or in the Lease nor the fulfillment of or compliance with the terms and provisions hereof or thereof will conflict with or result in a breach of any of the terms, conditions or provisions of the Articles of Incorporation or By-Laws of the Debtor or of any bond, debenture, note, mortgage, indenture, agreement or other instruments to which the Debtor is a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon the Collateral pursuant to the terms of any such agreement or instrument;
- (iii) that it is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business in each jurisdiction where its failure to so qualify could have a material adverse effect on its business or where its ownership or leasing of property or the conduct of its business requires such qualification;
- (iv) that the Debtor has good title to the Equipment free and clear of all security interests, liens and encumbrances, except for the respective interests of the Secured Party and the Lessee under the Lease, and that no other assignment or security interest has been granted with respect to the Collateral;
- (v) that the Equipment has been irrevocably accepted by the Lessee under the Lease, shall at all times be located primarily within the United States of America and is in good repair, condition and working order;
- (vi) that the Lease and the Second Assignment are valid and binding agreements of the Debtor, that the Lease, the First Assignment and the Second Assignment are valid and binding agreements of the Lessee and the respective parties thereto (as the case may be) and that the Lease constitutes the entire agreement between the Debtor, Chrysler Rail Transportation Corporation and Emons Marketing Services, Inc. and the Lessee pertaining to the leasing of the Equipment to the Lessee;
- (vii) that the rents payable under the Lease are as set forth in the Lease and as of this date equal \$3,762,120.00, an original counterpart of which is attached hereto, that said rents are not now subject to any defenses, setoffs or counterclaims, and that there is no rent assigned

hereunder now due or owing pursuant to the terms of the Lease nor have there been any payments made in advance with respect to payments being assigned to the Secured Party hereunder;

- (viii) that no Event of Default or event which, with the passing of time or the giving of notice, or both, would constitute an Event of Default hereunder or under the Note, the Lease, the First Assignment or the Second Assignment has occurred and is continuing;
- (ix) that the Debtor has made its investment in the Equipment and has acquired its interest in the Lease with its general assets and not directly or indirectly with the assets of or in connection with any arrangement or understanding by it in any way involving any employee benefit plan (or its related trust), all within the meaning of the Employee Retirement Income Security Act of 1974;
- (x) that the Gondola Car Agreement (Agreement No. 2) dated as of September 7, 1979 between Emons Industries, Inc. and Philadelphia, Bethlehem and New England Railroad Company, as amended and supplemented, has been terminated; and
- (xi) that the Lessee previously consented to the First Assignment and the Second Assignment.

### Section 3. Covenants of the Debtor

The Debtor agrees:

- (i) that it will take no action to direct or infer that all payments to be made by the Lessee under the Lease, and by the Debtor hereunder or under the Note, shall be made other than to the Secured Party in the manner and at the time and place set forth in the Note or as otherwise required hereunder;
- (ii) that all right, title and interest of the Debtor in and to the Collateral shall be expressly subject and subordinate to all of the right, title and interest of the Secured Party therein, and that it will take no action to encumber or avoid the right, title and interest of the Secured Party in and to the Collateral; and the Debtor further agrees not to modify, rescind, cancel or accept surrender of the Lease or waive any of the provisions thereof or extend the time of payment for payments due thereunder and not to sell, assign or transfer its interest in the Lease or the Equipment or any of the other Collateral or take any other action with respect thereto without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld;
- (iii) to keep the Collateral free and clear of all mortgages, pledges, liens, charges, security interests and all other encumbrances whatsoever arising by, through or under the Debtor, except the Lease and those created by this Security Agreement, and to pay all charges, including without limitation, all taxes and assessments levied or assessed against the Debtor or the Equipment, which if unpaid would constitute a lien on the Collateral or any portion thereof. The Debtor shall not be required to pay or discharge any such charges, taxes or assessments so long as it shall diligently in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the Lessee's right of quiet enjoyment and use of the Equipment under the Lease or the Secured Party's security interest in the Collateral pursuant to this Security Agreement;

- (iv) to execute and deliver any and all papers or documents (including without limitation all filings with the Interstate Commerce Commission) which the Secured Party may reasonably request from time to time in order to carry out the purposes hereof, or to facilitate the collection of monies due or to become due from the Lessee;
- (v) to duly fulfill or cause to be fulfilled all of the obligations to be performed or assumed by the Debtor as lessor under the Lease including without limitation Lessor's covenant of quiet enjoyment and the giving of all notices, consents, assistance and cooperation with and to the Lessee and to remain liable thereunder;
- (vi) not to interfere with the Lessee's quiet use and enjoyment of the Equipment and not to secrete, abandon or remove or attempt to remove the Equipment from the location stated in the Lease without prior written notification to the Secured Party and conformance to the Lease;
- (vii) to notify the Secured Party immediately upon obtaining knowledge of any Lessee default in the payment or performance of any of the Lessee's obligations under the Lease;
- (viii) to allow in accordance with the terms of the Lease the Secured Party and its representatives access to and right of inspection of the Equipment at its location, and in the event of loss or damage to the Equipment to send prompt written notice thereof to the Secured Party;
- (ix) to provide the Lessee any and all consents, assistance and cooperation necessary for the Lessee to maintain, in accordance with the Lease, "All Risks" property insurance coverage on the Equipment and public liability insurance showing the Secured Party as additional insured and loss payee in amounts and with insurance companies satisfactory to the Secured Party;
- (x) to provide the Lessee any and all consents, assistance and cooperation necessary for the Lessee to keep the Equipment in good repair and operating condition as required by the terms of the Lease, without any cost or liability to the Secured Party; provided, however, that the decision to repair or replace any lost, damaged or destroyed Equipment shall require the prior written consent of the Secured Party;
- (xi) that all accessions which are or become attached to or part of the Equipment which cannot be removed without damage to the Equipment shall become subject to the terms of this Security Agreement;
- (xii) that the Debtor will not remove its records concerning the Lease except to a jurisdiction where the Uniform Commercial Code shall be in effect, and upon 30 days' prior written notice to the Secured Party;
- (xiii) that the Debtor shall take no action which will cause the Equipment to be or to become, and shall take all steps to prevent the Equipment from becoming, fixtures under applicable law; and the Debtor further agrees that it will not allow or suffer the Lessee to permit the Equipment to be or to become fixtures under applicable law; and
- (xiv) to deliver to the Secured Party as soon as available after the end of each fiscal year, copies of the balance sheet of the Debtor as of the end of such fiscal year and copies of the statements of earnings, changes in financial position and stockholders' equity of the Debtor

for such fiscal year, all in reasonable detail, certified by independent certified public accountants and stating in comparative form the financial statements as of the prior fiscal year all in conformity with generally accepted accounting principles consistently applied; to deliver to the Secured Party from time to time, as soon as available, copies of the unaudited quarterly statements of the Debtor; and to deliver such other information concerning the Debtor, the Lease or the Equipment as the Secured Party may from time to time reasonably request.

#### Section 4. Rights of the Secured Party

The Debtor hereby irrevocably constitutes and appoints the Secured Party, and any officer thereof, with full power of substitution, as its true and lawful attorney in fact to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement and the Note and, without limiting the generality of the foregoing, the Debtor hereby gives the Secured Party the power and right, on behalf of the Debtor and without notice to or assent by the Debtor, to take the following specific action:

- (i) to endorse any loss payment or returned premium check and to make, settle and release any claim under any insurance policy with respect to the Equipment;
- (ii) to file any claim or take any other action or proceeding in any court of law or equity for the purpose of collecting any and all monies due under the Lease;
- (iii) upon the occurrence and continuance of any event of default under the terms of the Lease:
  - (a) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral;
  - (b) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of the Collateral;
  - (c) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate;
  - (d) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Security Agreement and the Note, all as fully and effectively as the Debtor might do; and

- (e) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement or the Lease and to pay all or any part of the premiums therefor and the costs thereof.

The Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, shall be irrevocable and shall terminate only upon payment in full of the obligations hereunder and under the Note and the termination of this Security Agreement and the Note. The powers conferred on the Secured Party hereunder are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

#### **Section 5. Event of Loss**

Following the occurrence of an event of loss or casualty under the Lease, the unpaid principal under the Note shall become due and payable together with accrued interest thereon, without penalty, on the date on which the stipulated loss value or casualty value is due under the Lease in the proportion that the original purchase price of the Equipment suffering such event of loss or casualty bears to the original purchase price of all Equipment then subject to the Lease; provided, however, that payments of principal and interest shall continue to be payable under the Note together with any additional interest required pursuant to Section 6 hereof with regard to payments of principal and interest remaining unpaid after the same have become due and payable until payment in full of such stipulated loss value or casualty value. Each of the remaining principal installments due under the Note shall be reduced in the proportion that the principal amount of the prepayment made pursuant to this section bears to the unpaid principal amount outstanding immediately prior to such prepayment. Upon receipt of payment in full of the sums required by this Section 5, the Secured Party will release its security interest in the affected Equipment, at the expense of the Debtor. Except as set forth in this Section 5, the Note shall not be subject to prepayment or redemption, either in whole or in part, prior to its stated maturity.

#### **Section 6. Late Payment**

All payments under the Note or this Security Agreement not received by the Secured Party within ten (10) days of the due date thereof shall bear interest from the due date until paid at the highest late rental payment rate specified in the Lease; but in any event such interest shall not be higher than the maximum legally enforceable rate (the "Late Payment Rate").

#### **Section 7. Right of Secured Party to Perform for Debtor and Lessee**

If the Debtor defaults in its obligation hereunder or under the Note or if the Lessee defaults in its obligations under the Lease, the Secured Party may, at its option, effect insurance, pay all taxes, assessments, and charges levied on the Equipment or for the storage, maintenance or repair thereof. Any insurance premiums, taxes, assessments and charges so paid shall be secured by this Security Agreement and shall be payable on demand by the Debtor as an obligation independent hereof with interest at the Late Payment Rate.

**Section 8. is intentionally omitted.**

**Section 9. Events of Default**

Any of the following events shall constitute an Event of Default hereunder:

- (i) the Debtor shall fail to make any payment due under the Note within ten (10) days after such payment shall become due;
- (ii) an event of default under and as defined in the Lease shall occur;
- (iii) the Debtor shall suffer the imposition upon the Collateral or any part thereof of any claim, lien, security interest, encumbrance or charge which is prior to or on a parity with the security interest granted hereunder under the Note or under the Lease (other than the Lease);
- (iv) the Debtor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by the Debtor hereunder, under the Note or under the Lease or in any agreement or certificate furnished to the Secured Party in connection herewith or therewith and such failure shall continue unremedied for a period of fifteen (15) days after notice thereof to the Debtor;
- (v) any representation or warranty made by the Debtor herein or in any document or certificate furnished to the Secured Party in connection herewith or therewith shall have been incorrect when made;
- (vi) the Debtor shall have become insolvent or bankrupt or admit in writing its inability to pay any of its debts as they mature or make an assignment for the benefit of creditors, or a receiver or trustee shall have been appointed with respect to the Debtor or any of the Debtor's estate; and
- (vii) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under Title XI of the United States Code or any bankruptcy law or similar law now or hereafter in force for the relief of debtors shall be instituted by the Debtor, or such proceedings shall be instituted against the Debtor and the Debtor shall fail to take action to dismiss or to stay such proceedings within sixty (60) days of such institution.

**Section 10. Remedies**

If an Event of Default hereunder shall have occurred and be continuing, all of the payments hereunder and under the Note shall become immediately due and payable, without notice or demand, and subject only to the Lessee's right of quiet use and enjoyment of the Equipment, it shall be then lawful for the Secured Party (and the Debtor hereby authorizes and empowers the Secured Party with the aid and assistance of any persons) to enter upon the premises or such other place as the Equipment may be found and take possession of and carry away the Equipment without process of law at any time or times, and to dispose of the Equipment and apply the proceeds thereof to the balance due hereunder and under the Note or any other obligation arising hereunder or thereunder, all to the extent permitted by and in accordance with law. The Debtor hereby waives the right to interpose (i) any counterclaims or offsets in any litigation between the Debtor and the Secured Party with respect to this Security Agreement or the Note or (ii) claims arising out of or relating to or connected with the loan secured hereby or the Collateral or repossession thereof.

The Debtor will reimburse the Secured Party for all fees of attorneys or collection agencies and all expenses, costs and charges paid or payable to third persons or suffered or incurred by the Secured Party in attempting or effecting protection or preservation of its security interest in the Collateral or the enforcement of any provision hereof or in the enforcement of the Note or in the collection of the amounts secured hereby or thereby or in the exercise of any authority right or remedy conferred upon the Secured Party herein or by law, together with interest thereon at the Late Payment Rate from the date of the Secured Party's request for reimbursement until the date of reimbursement.

All rights, remedies and options conferred upon the Secured Party hereunder or by law shall be cumulative and may be exercised successively or concurrently and are not alternative or exclusive of any other such rights, remedies, or options. No express or implied waiver by the Secured Party of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of the Secured Party in exercising any rights granted it hereunder shall not constitute a waiver of any such right in the future and any single or partial exercise of any particular right by the Secured Party shall not exhaust such rights or constitute a waiver of any other right provided herein. To the extent permitted by law, the Debtor hereby waives presentment, demand, notice and protest in connection with the delivery, acceptance, performance and enforcement of this Security Agreement or the Note.

If an Event of Default hereunder arises out of the nonpayment of rent due under the Lease (a "Rent Payment Default"), the Secured Party shall give the Debtor not less than ten (10) days' prior written notice of the date (the "Enforcement Date") on or after which the Secured Party may exercise any remedy or remedies described in Section 10 of this Security Agreement, described in the Lease or otherwise available to the Secured Party. The Debtor shall have the right, but not the obligation, to cure such Rent Payment Default by paying to the Secured Party, on or prior to the Enforcement Date, any and all payments, including without limitation overdue interest, then due and payable under this Security Agreement and the Note and, unless the Lessee has failed for any reason to pay when due the immediately preceding three (3) payments of rent due under the Lease or the Debtor has cured six (6) previous Rent Payment Defaults, such payment by the Debtor shall be deemed to cure such Rent Payment Default (but not any other Event of Default which shall have occurred and be continuing).

#### Section 11. Successors and Assigns

The Secured Party may at any time assign all or any portion of the Note or its interests hereunder without notice to the Debtor. This Security Agreement and the Note shall inure to the benefit of the successors and assigns of the Secured Party.

#### Section 12. Miscellaneous

Any monies coming into the possession of the Secured Party hereunder, whether paid by the Debtor or the Lessee or derived from insurance or the proceeds of any sale of the Collateral, shall be applied in whole or in part upon the obligations of the Debtor to Secured Party and the Debtor's right to specify any such application is hereby waived. If any monies at any time are payable to the Debtor hereunder, the same shall be deposited as the Debtor may direct, so long as no Event of Default has occurred and is continuing.

Upon the payment in full of all principal, interest and other amounts due and payable hereunder and under the Note, in accordance with the terms and conditions hereof and thereof, this Security Agreement shall cease and

determine, whereupon the Collateral shall revert to the Debtor and the Secured Party's estate therein shall be void. In such event, at Debtor's request, cost and expense, the Secured Party shall (within a reasonable time) execute and deliver proper instruments acknowledging satisfaction of and discharging this Security Agreement and the Note, and shall redeliver to the Debtor any Collateral then in the Secured Party's possession. The foregoing notwithstanding, nothing herein shall be deemed to authorize the prepayment of the Note, either in whole or in part, except as expressly provided in Section 5 hereof.

Neither this Security Agreement nor the Note may be amended, waived, or discharged, except by an agreement in writing signed by the party against which or whom enforcement of the amendment, waiver or discharge is sought. In case any one or more of the provisions contained in this Security Agreement or the Note shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby in such jurisdiction. Any provision of this Security Agreement or the Note which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. Time and exactitude are of the essence hereof.

If the Debtor shall be a party to a merger, combination or consolidation or other corporate reorganization and if it shall not be the surviving corporation, then the surviving corporation shall promptly assume the obligations under this Security Agreement and the Note in writing.

All notices to be made hereunder shall be in writing and (a) if to the Debtor, addressed to it at P. O. Box 87, DeLand, FL 32721-0087, Attention: Claude Bigot, and (b) if to the Secured Party, addressed to it at John Hancock Place, P.O. Box 111, Boston, Massachusetts 02117, Attention: Vice President/Credit Administration. Either party hereto may change the address to which notice to such party shall be sent by giving written notice of such change to the other party to this Security Agreement.

**IT IS THE INTENTION OF THE PARTIES THAT THE PROVISIONS OF THIS SECURITY AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.**

Section headings and captions are inserted for convenience only and shall not affect any construction or interpretation of this Note. The words "herein", "hereof", "hereby", "hereto", "hereunder", and words of similar import refer to this Security Agreement as a whole and not to any particular section, subsection, paragraph, clause or other subdivision hereof.

The principal place of business of the Debtor is as set forth in Section 12 hereof, and the Debtor shall notify the Secured Party immediately and execute additional financing statements, to be filed at the Debtor's expense, should such address change.

**IN WITNESS WHEREOF**, the Debtor and Secured Party have caused this Security Agreement to be signed, with the intention that it shall take effect as a sealed instrument, as of the 28th day of September, 1990.

ATTEST:

[Signature]

Title: Secretary

[Corporate Seal]



Debtor: C.K. INDUSTRIES, INC.

By: [Signature]

Name: CLAUDE BIGOT

Title: President

Secured Party: JOHN HANCOCK LEASING CORPORATION

By: [Signature]

Name: JOHN M BUTLER

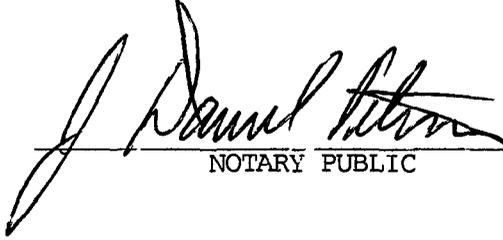
Title: SR VICE PRESIDENT

ACKNOWLEDGEMENT

STATE OF FLORIDA

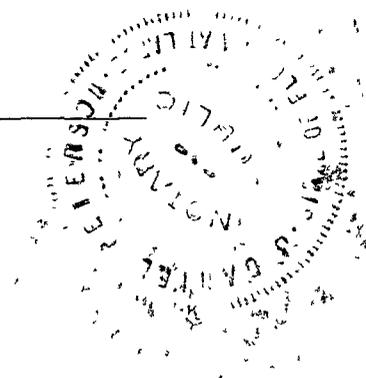
COUNTY OF VOLUSIA

On this 11TH day of ~~September~~ <sup>OCTOBER</sup>, 1990, before me personally appeared CLAUDE BIGOT, to me personally known, who, being by me duly sworn, says that he is President of C. K. Industries, Inc., that said instrument was signed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was his free act and deed and that of said company.

  
\_\_\_\_\_  
NOTARY PUBLIC

MY COMMISSION EXPIRES:

8-25-92

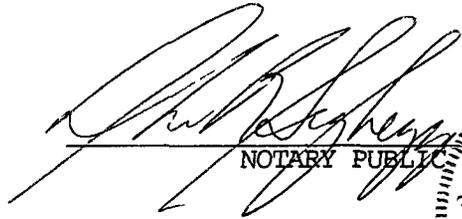


ACKNOWLEDGEMENT

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK

On this 16<sup>TH</sup> day of SEPTEMBER, 1990, before me personally appeared John M. Butler, to me personally known, who, being by me duly sworn, says that he is Senior Vice-President of John Hancock Leasing Corporation, that said instrument was signed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was his free act and deed and that of said company.

  
\_\_\_\_\_  
NOTARY PUBLIC



MY COMMISSION EXPIRES:

April 22, 1994

Exhibit A

60 52'6" - - 100 Ton Gondolas

<u>CAR NUMBER</u>		
CR 584800	CR 584827	CR 584854
CR 584801	CR 584828	CR 584855
CR 584802	CR 584829	CR 584856
CR 584803	CR 584830	CR 584857
CR 584804	CR 584831	CR 584858
CR 584805	CR 584832	CR 584859
CR 584806	CR 584833	
CR 584807	CR 584834	
CR 584808	CR 584835	
CR 584809	CR 584836	
CR 584810	CR 584837	
CR 584811	CR 584838	
CR 584812	CR 584839	
CR 584813	CR 584840	
CR 584814	CR 584841	
CR 584815	CR 584842	
CR 584816	CR 584843	
CR 584817	CR 584844	
CR 584818	CR 584845	
CR 584819	CR 584846	
CR 584820	CR 584847	
CR 584821	CR 584848	
CR 584822	CR 584849	
CR 584823	CR 584850	
CR 584824	CR 584851	
CR 584825	CR 584852	
CR 584826	CR 584853	

NON-RECOURSE NOTE

\$ 1,000,000.00

September 28, 1990

at Boston, Massachusetts

FOR VALUE RECEIVED, C. K. Industries, Inc. ("Debtor") hereby promises to pay to John Hancock Leasing Corporation ("Secured Party") or order, the principal sum of One Million and 00/100 dollars (\$ 1,000,000.00), with interest from the date hereof computed on the basis of a 360 day year of twelve 30-day months on the principal amount hereof from time to time unpaid at a per annum rate which shall at all times be equal to ten and seven one hundredths percent (10.07%) and with interest on overdue principal, and to the extent permitted by applicable law, on overdue installments of interest of the per annum rate set forth in Section 6 of the Security Agreement (as hereinafter defined). Principal and interest on this Note shall be payable in eighty-four (84) successive equal monthly installments each in the amount of \$16,637.38. The first installment hereunder shall be payable on the 1st day of November 1990, and thereafter installments shall be payable on the corresponding day of each month, with the entire balance of unpaid principal and interest due and payable in full on any accelerated maturity of this Note. Each of such installments of principal and interest shall be applied first to the payment of interest then due on this Note and the remainder to principal of this Note, and interest shall thereupon cease on the principal so paid. All payments hereunder shall be made to the Secured Party by check payable to and mailed to Secured Party at John Hancock Place C-6, P.O. Box 111, Boston, Massachusetts 02117, or by such other means and at such other address as the Secured Party may from time to time specify in writing.

This Note is entitled to the benefits and security, and is subject to the provisions, of the Chattel Mortgage, Assignment and Security Agreement dated as of September 28, 1990 (the "Security Agreement") between the Debtor and the Secured Party. In case an event shall happen which constitutes a default under the Security Agreement, including without limitation any default in the payment of any installment of principal on interest hereunder, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Security Agreement. Except as expressly set forth in Section 5 of the Security Agreement, this Note is not subject to prepayment without the prior written consent of the holder. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Security Agreement.

The Debtor's payment obligations under this Note shall be non-recourse to Debtor and payable only out of the Collateral and out of any collateral hereafter given as security for this Note, and except as expressly set forth in this paragraph, neither Secured Party nor any transferee of the Secured Party and no claimant asserting any rights derived directly or indirectly hereunder shall have any claim, remedy or right to proceed (at law or in equity) against the Debtor, any director, officer, employee or shareholder of Debtor, for any sum or sums owing on account of the indebtedness evidenced hereby from any source other than the Collateral; provided, however, nothing in this paragraph shall be deemed to release or impair the indebtedness evidenced by this Note, the Secured Party's security interest in the Collateral, or the assignment of rentals due and to become due under the Lease, or to preclude the Secured Party from resorting to the Collateral in case of any default hereunder or from enforcing any of its rights under this Note or the Security Agreement or under the Lease in respect of the Collateral. Notwithstanding anything to the contrary herein contained, the foregoing shall not be deemed to bar or prohibit

the Secured Party or any holder of this Note of the Security Agreement from proceeding personally against the Debtor for recovery of any damages, costs or expenses (including without limitation any costs of the kind described in the second paragraph of Section 10 of the Security Agreement) arising out of any misrepresentation or any breach of a warranty or covenant contained herein or the Security Agreement or in any document, instrument or opinion executed by or on behalf of Debtor pursuant hereto or thereto.

The Debtor and all guarantors and endorsers hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in said Security Agreement, and assent to extensions of time of payment or forbearance or other indulgence without notice.

**THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.**

Attest or Witness:

C. K. Industries, Inc.

\_\_\_\_\_

By: \_\_\_\_\_ (Seal)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_  
(Corporate Officer, General Partner, Owner)

(Corporate Seal)

ARS14.15  
092690