

1-361A054

OBER, KALER, GRIMES & SHRIVER

ATTORNEYS AT LAW

120 EAST BALTIMORE STREET

BALTIMORE, MARYLAND 21202-1643

(301) 685-1120

FACSIMILE (301) 547-0699

CABLE "RITNEY"

TELEX 8-7774

GEORGE F. JONES
DIRECT DIAL NUMBER
(301) 347-7386

OFFICES IN
WASHINGTON, D. C.
NEW YORK
JERSEY

December 27, 1991

HAND DELIVERED

17645

RECEIVED TO _____ FROM 120

DEC 27 1991 -3 15 PM

DEC 27 3 09 PM '91
MAIL ROOM OPERATING UNIT

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

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) are two (2) copies of the Loan Agreement, Chattel Mortgage and Security Agreement dated as of December 27, 1991 (the "Loan 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 Loan Agreement are:

Secured Party: The First National Bank of Maryland
Transportation Division
25 S. Charles Street
Baltimore, Maryland 21201

Debtor: C. K. INDUSTRIES, INC.
P.O. Box 0087
DeLand, Florida 32721

A description of the railroad equipment 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 21202-1643.

Enclosed parts - Deborah Mulligan

Mr. Sidney L. Strickland
December 27, 1991
Page 2

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

Loan Agreement, Chattel Mortgage and Security Agreement (the "Loan Agreement") dated as of December 27, 1991, by and between The First National Bank of Maryland, as Secured Party, and C. K. Industries, Inc., as Debtor, covering seventy-nine (79) Open Top Triple Hopper Cars now owned by the Debtor, together with all accessions, accessories, equipment, appurtenances, parts, improvements and attachments thereto and all substitutions and replacements thereof.

Very truly yours,



George F. Jones

Enclosures

Schedule 1

List of Borrower's road numbers for the seventy-nine (79)
100-ton open top triple hopper cars (the "Hopper Cars"):

62339	62502
62395	62309
62362	62342
62398	62495
62379	62358
62509	62320
62501	62420
62403	62487
62418	62402
62300	62503
62393	62422
62323	62374
62493	62341
62352	62369
62365	62372
62519	62353
62518	62332
62328	62489
62454	62349
62330	62389
62390	62415
62331	62411
62386	62515
62510	62505
62354	62322
62307	62363
62355	62345
62399	62426
62329	62508
62424	62360
62377	62370
62324	62511
62334	62336
62333	62306
62512	62504
62406	62337
62367	62412
62496	62325
62380	62409
62488	

Interstate Commerce Commission

Washington, D.C. 20423

12/27/91

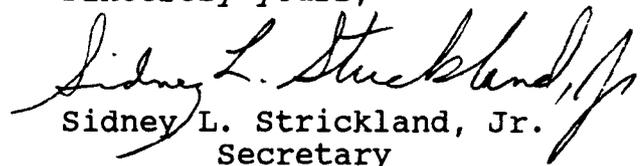
OFFICE OF THE SECRETARY

George F. Jones
Ober, Kaler, Grimes & Shriver
120 East Baltimore Street
Baltimore, MD. 21202-1643

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 12/27/91 at 3:15PM, and assigned recordation number(s) 17645, 17646, 17646-A.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17645

RECORDATION NO. _____ FILED 1425

DEC 27 1991 -3 15 PM

INTERSTATE COMMERCE COMMISSION

LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT

between

THE FIRST NATIONAL BANK OF MARYLAND

and

C.K. INDUSTRIES, INC.

Dated as of December 27, 1991

Covering Seventy-Nine (79) 100-ton Open Top Triple Hopper Cars

Filed and recorded with the Interstate Commerce Commission pursuant to the Interstate Commerce Act, 49 U.S.C. §11303 on the 27th day of December, 1991, at ____ .m., Recordation No. _____.

TABLE OF CONTENTS¹

Parties

Recitals

Article I. INTERPRETATION

 1.1 Definitions

 1.2 Other Definitional Provisions

 1.3 Accounting Matters

Article II. MAKING OF THE LOAN

 2.1 The Term Loan

 2.2 The Term Note

 2.3 Interest Rate

 2.4 Prepayment

 2.5 Payments

 2.6 Interest on Overdue Amounts

 2.7 Facility Fee

 2.8 The Soo Lease

 2.9 Evidence of Indebtedness

Article III. CONDITIONS TO THE LOAN

 3.1 Conditions Precedent

 3.2 Conditions Subsequent

Article IV. SECURITY

 4.1 Grant of Security

 4.2 Use and Maintenance Of Equipment Collateral

 4.3 Use and Possession in Railroad Operations

 4.4 Marking of Hopper Cars

 4.5 Prohibition against Certain Designations

 4.6 Registration of Hopper Cars

 4.7 Rules, Laws and Regulations

 4.8 The Bank as Agent

 4.9 Perfecting Interest in Collateral

 4.10 Disclaimer by the Bank

¹This Table of Contents has been included in this document for convenience only and does not form a part of, or affect any construction or interpretation of, this Agreement.

Article V. INSURANCE AND CASUALTY

5.1 Insurance

5.2 Duty of Borrower to Notify Bank

5.3 Notice of Casualty

5.4 Sum Payable As a Result of a Casualty Occurrence

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

6.1 Organization; Power; Qualification

6.2 Authorization of and Compliance with Agreement, Other Loan Documents and Borrowing

6.3 Litigation

6.4 No Conflicting Agreements

6.5 Taxes

6.6 No Adverse Fact

6.7 No Default

6.8 Financial Condition

6.9 Full Disclosure

6.10 Regulatory Approvals

6.11 Collateral

6.12 Principal Place of Business; Location of Books and Records

6.13 ERISA

6.14 Recitals

6.15 Nature of Term Loan; Usury; Disclosures

Article VII. AFFIRMATIVE COVENANTS

7.1 Valid Existence

7.2 Preservation of Licenses

7.3 Payment of Taxes and Claims

7.4 Visits and Inspections

7.5 Encumbrances

7.6 Repossession of Hooper Cars

7.7 Compliance with AAR Regulations, etc.

7.8 Books and Records

7.9 ERISA

7.10 Environmental Covenants

7.11 Taxes

Article VIII. NEGATIVE COVENANTS

8.1 Indebtedness

8.2 Contingent Liabilities

8.3 Sale of Assets

8.4 Lease Assignment

8.5 Soo Lease

8.6 Merger or Acquisition

8.7	Change in Ownership/Management
8.8	Line of Business
8.9	ERISA Compliance

Article IX. FINANCIAL INFORMATION; NOTICES

9.1	Quarterly Financial Statements
9.2	Year-End Financial Statements
9.3	Additional Materials
9.4	Notice of Defaults
9.5	Lease Notices
9.6	Notice of Litigation
9.7	Duty of Borrower to Furnish
9.8	Governmental Regulation Generally

Article X. DEFAULT

10.1	Failure to Pay
10.2	Breach of Representations and Warranties
10.3	Failure to Comply with Covenants
10.4	Bankruptcy
10.5	Default Under Other Loan Documents
10.6	Judgment; Attachment
10.7	Mechanics Lien
10.8	Cross Default
10.9	Inadequacy of Collateral

Article XI. REMEDIES

11.1	Acceleration
11.2	Additional Rights and Remedies
11.3	Power of Attorney
11.4	Sale Notice, Expenses and Proceeds
11.5	Right to Purchase Collateral
11.6	Waiver by Borrower
11.7	Disclosures
11.8	Cumulative Rights

Article XII. RETURN OF EQUIPMENT UPON DEFAULT

12.1	Borrower's Duty to Return
12.2	Specific Performance
12.3	Bank Appointed Borrower's Agent

Article XIII. MISCELLANEOUS

13.1 Indemnity for Misrepresentations or Breaches of
Covenants

13.2 Regulatory Changes

13.3 Liability of the Bank

13.4 Transactions Between the Borrower and the Bank

13.5 Notices

13.6 Expenses

13.7 Waivers; Amendments

13.8 Binding Agreement; Assignment

13.9 Severability of Provisions

13.10 Number; Gender

13.11 Headings

13.12 Counterparts

13.13 Survival of Agreement

13.14 Entire Agreement

13.15 Governing Law

SCHEDULES AND EXHIBITS

Schedule 1	Description of Railcars
Schedule 3.1(a)	Certificate as to Resolutions, etc. and Consent of Shareholders
Annex A	Board Resolutions
Annex B	Borrower's Bylaws\Articles of Incorporation
Schedule 3.1(i)	Opinion of Borrower's Counsel
Schedule 6.2	Required Consents and Governmental Approval
Schedule 6.3	Litigation
Schedule 7.1	Certificate as to Financial Statements
Exhibit A	Form of Promissory Note
Exhibit B	Copy of Soo Lease
Exhibit C	Form of Acknowledgement of Notice and Assignment

LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT

This LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "Agreement") dated as of December 27, 1991, is made by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association (the "Bank"), and C.K. INDUSTRIES, INC., a Florida corporation (the "Borrower").

RECITALS

WHEREAS, the Borrower has applied to the Bank for a secured term loan in the principal amount of \$1,000,000, the proceeds of which will be used to finance the Borrower's acquisition of seventy-nine (79) 100-ton open-top triple hopper cars from McDonnell Douglas Finance Corporation (the "Seller") (each a "Hopper Car" and collectively, the "Hopper Cars"), which Hopper Cars are currently on lease to Soo Line Railroad Company (the "Lessee"); and

WHEREAS, to secure its obligations to the Bank, the Borrower has offered to grant the Bank a continuing, first priority security interest in and chattel mortgage on the Hopper Cars, all accessions and attachments thereto and all proceeds, including insurance proceeds, thereof and to assign to the Bank, for collateral security purposes only, all of its right, title and interest in, to and under all leases and other agreements for the use or hire of the Hopper Cars, including, without limitation, the Soo Lease; and

WHEREAS, the Bank is willing to make such loan to the Borrower subject and pursuant to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTERPRETATION

Section 1.1. Definitions. For the purposes of this Agreement:

"Agreement" means this Loan Agreement, Chattel Mortgage and Security Agreement, as amended from time to time, and after giving effect to all waivers and departures from the terms hereof that have been consented to, but only, in the case of each such

amendment, waiver or consent, to the extent it complies with the provisions of Section 13.7 of this Agreement.

"Applicable Law" means all material applicable provisions of all (a) constitutions, statutes, rules, regulations and orders of Governmental Authorities, (b) Governmental Approvals and (c) orders, decisions, judgments and decrees of all courts and arbitrators; except that for purposes of determining the maximum interest rate payable hereunder, Applicable Law means the Applicable Law of the State of Maryland applicable to maximum permitted rates of interest.

"Assigned Documents" shall have the meaning set forth in Section 4.1(e).

"Borrower" means C.K. Industries, Inc., a Florida corporation.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in Baltimore, Maryland are authorized to close.

"Casualty Occurrence" shall have the meaning set forth in Section 5.2.

"Casualty Value" shall have the meaning set forth in Section 5.4.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" shall have the meaning set forth in Section 4.1.

"Collateral Account" shall have the meaning set forth in Section 2.8(c).

"Commitment" means the commitment of the Bank to lend to the Borrower certain sums pursuant to Article II hereof, in no event to exceed \$1,000,000.

"Commonly Controlled Entity" shall have the meaning set forth in Section 6.13.

"Contamination" means the present, past and future uncontained presence, leak, discharge, emission, release, threatened release, suspected release or abandonment of Hazardous Substances that may require remediation, removal, abatement or cleanup under any of the Environmental Laws upon property (including, but not limited to, the improvements, facilities, soil, ground water, air or other elements on, or of, such property).

"Contract" means an indenture, agreement (other than this Agreement, other contractual restriction, lease, instrument, certificate of incorporation or charter, or bylaw.

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

"Default Date" shall have the meaning set forth in Section 2.6.

"Default Rate" shall have the meaning set forth in Section 2.6.

"Dollars" and the sign "\$" mean lawful money of the United States of America.

"Environmental Laws" means any and all environmental laws and regulations promulgated thereunder, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., as amended ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as amended ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., as amended; the Clean Air Act, 42 U.S.C. §7401 et seq., as amended; the Occupational Safety and Health Act, 29 U.S.C. §651 et seq., as amended; the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., as amended; and any other law similar to those set forth in this definition.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" means any of the events specified in Article X of this Agreement.

"Equipment Collateral" shall have the meaning set forth in Section 4.1(b).

"Facility Fee" shall have the meaning set forth in Section 2.7.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Governmental Approval" means an authorization, consent, approval, license or exemption from, registration or filing with, or report or notice to, any Governmental Authority.

"Governmental Authority" means any international, federal, state or local regulatory, governmental or quasi-governmental entity or political subdivision thereof, including, without limitation, any department, commission, board, bureau, intermediary, agency or other governmental instrumentality.

"Hazardous Substances" means any hazardous substance as defined in CERCLA or other Applicable Laws, oil of any kind, petroleum products and their by-products, including, but not limited to, sludge or residue, asbestos containing materials, urea formaldehyde foam insulation, polychlorinated biphenyls, any and all other hazardous or toxic substances, hazardous waste as defined in RCRA and the Applicable Laws, medical waste, infectious waste, used tires, and all other pollutants, contaminants and other substances regulated or controlled by the Environmental Laws and any other substance the presence of which is prohibited by any of the Environmental Laws or that requires special handling in its collection, storage, treatment or disposal under the Environmental Laws.

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

"Indebtedness" shall have the meaning set forth in Section 4.1.

"Lease" means a lease, including but not limited to, the Soo Lease, between the Borrower, as lessor, and a third party, as lessee, with respect to any or all of the Hopper Cars, in the form approved by the Bank.

"Lien", as applied to the property or assets (or the income or profits therefrom) of any Person, means (in each case, whether the same is consensual or nonconsensual or arises by Contract, operation of law, legal process or otherwise) any mortgage, lien, pledge, attachment, levy, charge, or other security interest or encumbrance of any kind in respect of any property of such Person, or upon the income or profits therefrom. For this purpose, the Borrower shall be deemed to own subject to a Lien any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement relating to such asset.

"Loan Documents" means this Agreement, the Term Note, the financing statements and all other instruments, documents or agreements relating to the Obligations, both now or hereafter executed and/or delivered by the Borrower to the Bank.

"Liquidation Costs" shall have the meaning set forth in Section 11.4.

"Materially Adverse Effect" means (a) with respect to any Person, a materially adverse effect upon such Person's business, assets, liabilities, financial condition, results of operations or business prospects, and (b) with respect to this Agreement, any Contract or any other obligation, a materially adverse effect, as to any party thereto, upon the binding nature, validity or enforceability thereof.

"Notice" shall have the meaning set forth in Section 2.8(c).

"Obligations" of the Borrower at any time to the Bank means all of the Borrower's liabilities, obligations and indebtedness at such time to the Bank of any kind whatsoever, howsoever evidenced and whether contingent or otherwise, including, without limitation, all of Borrower's liabilities, obligations and indebtedness to the Bank under this Agreement, the Term Note and the other Loan Documents.

"Permitted Liens" means (i) liens for Taxes not yet due and payable or being contested in good faith by appropriate and diligent legal proceedings; (ii) liens arising out of any judgments or awards against the Borrower that have been adequately insured against (in the Bank's sole judgment) or with respect to which a stay of execution has been obtained pending an appeal or a proceeding for review; (iii) liens on assets hereafter acquired in favor of purchase money security lenders; and (iv) such other imperfections of title acceptable to the Bank in its sole judgment.

"Person" means an individual, corporation, partnership, trust or unincorporated organization, or a Governmental Authority.

"Regulatory Change" means (a) the enactment after the date hereof of any new Applicable Law, or the enactment or other effectuation of any change in any existing Applicable Law, (b) the adoption after the date hereof of any new, or the adoption or other effectuation of any change in any existing, interpretation, directive or request (whether or not having the force of law), or (c) any change in the administration or enforcement of any Applicable Law.

"Representation or Warranty" means (a) each representation and warranty made pursuant to Sections 6.1 through 6.15 and any other provision of this Agreement, and (b) each statement contained in any certificate, financial statement, legal opinion or other instrument or document delivered by or on behalf of the Borrower pursuant to or in connection with this Agreement (including, but not limited to, any representation, warranty or statement made in or in connection with any amendment of this Agreement).

"Soo Lease" means the Lease of Railroad Equipment dated as of February 28, 1986, between the Seller and the Lessee, as amended, a copy of which is attached hereto as Exhibit B.

"Tax" or "Taxes" means any federal, state, local or foreign tax, assessment or other governmental charge or levy upon a Person or upon its assets, revenues, income or profits.

"Tax Payments" shall have the meaning set forth in Section 2.8(b).

"Term Loan" shall have the meaning set forth in Section 2.1.

"Term Note" shall have the meaning set forth in Section 2.2.

"UCC" means the Maryland Uniform Commercial Code.

Section 1.2. Other Definitional Provisions.

(a) Except as otherwise specified herein, all references herein (1) to any Person, other than the Borrower, shall be deemed to include such Person's successors and assigns, (2) to the Borrower shall be deemed to include the Borrower's successors and permitted assigns, and (3) to any Applicable Law shall be deemed references to such Applicable Law as the same may be amended or supplemented from time to time.

(b) The words "herein", "hereof" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any provision of this Agreement, and "Section", "subsection", "Schedule" and respective references are to this Agreement unless otherwise specified.

(c) Whenever the context so requires, the neuter gender includes the masculine and feminine, and the singular number includes the plural, and vice versa.

(d) All terms defined in this Agreement shall have the defined meanings when used herein or, except as otherwise expressly stated therein, any certificate, opinion or other document delivered pursuant hereto.

(e) A reference to any Contract shall include all permitted supplements and amendments.

(f) When used herein, the word "or" is not exclusive and the words "include" and "including" are not limiting.

(g) All obligations set forth herein are continuing obligations.

(h) Any right provided herein may be excused at any time and from time to time.

Section 1.3. Accounting Matters. Unless otherwise specified herein, all accounting determinations hereunder and all computations utilized by the Borrower in complying with the covenants contained herein shall be made, all accounting terms used herein shall be interpreted and all financial statements requested to be delivered hereunder shall be prepared, in accordance with GAAP.

ARTICLE II

MAKING OF THE TERM LOAN

Section 2.1. The Term Loan. Subject to the fulfillment of the terms and conditions specified herein, the Bank agrees to extend to the Borrower a term loan in the maximum principal amount not to exceed One Million and 00/100 United States Dollars (US \$1,000,000) (the "Term Loan"). Time is of the essence.

Section 2.2. The Term Note. The Term Loan shall be evidenced by a term note payable by the Borrower to the order of the Bank, substantially in the form annexed hereto as Exhibit A (the "Term Note"). The Term Note shall be dated as of even date herewith and shall be payable at the times and in the manner provided therein. The Bank shall record and, prior to any transfer of the Term Note, shall evidence on the schedules forming part thereof appropriate notations evidencing the date and the amount of each payment of principal made by the Borrower with respect thereto. The Borrower hereby irrevocably authorizes the Bank to endorse the Term Note, and to attach and to make a part of the Term Note, such schedules as and when required.

Section 2.3. Interest Rate. The unpaid principal balance of the Term Note shall bear interest at the rate of 9.25% per annum, until paid in full.

Section 2.4. Prepayment.

(a) Optional Prepayment. The Borrower may, upon thirty (30) days' prior written notice to the Bank, prepay the Term Note in whole on any principal installment due date by paying, in addition to such prepayment, all accrued but unpaid interest and other sums due thereunder, plus a Prepayment Premium. The "Prepayment Premium" shall be calculated as the following specified percentage of the then outstanding principal balance of the Term Note depending upon the month in which it is prepaid:

<u>Prepayment Date by Months</u>	<u>Percentage</u>
1-12	3%
13-48	2%
49-72	1%
73-75	0%

(b) Mandatory Prepayments. In the event that one or more of the Hopper Cars is sold or sustains a Casualty Occurrence, the Borrower, after payment of all costs and unpaid late charges, if any, and all accrued but unpaid interest due thereon, shall prepay (in whole or in part, as applicable), but without a Prepayment Premium, in the inverse order of maturity the principal of the Term Note by an amount equal to the product obtained by multiplying the outstanding principal balance of the Term Note by the fraction, the numerator of which is the number of Hopper Cars sold or sustaining a Casualty Occurrence and the denominator of which is the number of Hopper Cars securing the Borrower's Obligations hereunder just prior to the occurrence of such event.

Section 2.5. Payments.

(a) All payments by the Borrower under the Term Note or any of the other Loan Documents and under any instrument delivered hereunder or thereunder shall be made in lawful money of the United States of America (in immediately available and freely transferable United States Dollars) to the Bank at its office at 25 South Charles Street, Baltimore, Maryland 21201, free and clear of and without deduction for any and all present and future Taxes, withholdings or other charges imposed on such payment. Should any such Taxes, withholdings or other charges be imposed on any such payment, the Borrower will pay them and remit to the Bank an amount equal to what should have been received had such a Tax, withholding or other charge not been imposed.

(b) All computations of interest shall be made by the Bank on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

(c) Whenever any payment to be made under any other Loan Documents or under any instrument delivered thereunder shall be stated to be due on a day other than a Business Day such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest.

Section 2.6. Interest on Overdue Amounts. In the event that any outstanding balance of principal, interest, fees or other amounts due hereunder is not paid when due (whether by acceleration or otherwise) (a "Default Date"), the Borrower shall pay to the Bank, upon demand, interest on the entire principal amount then outstanding and, to the extent permitted by law, on such interest, fees and other amounts, from the Default Date until such past due principal, interest, fees or other amounts are paid in full, at a rate equal to 11.25% per annum (the "Default Rate"), until paid in full.

Section 2.7. Facility Fee. The Borrower shall pay to the Bank on the date hereof a facility fee (the "Facility Fee") in the amount of \$2,500.

Section 2.8. The Soo Lease.

(a) Any rents or other sums paid under the Soo Lease and received by the Bank pursuant to this Agreement shall be held by the Bank as part of the Collateral and, so long as no Event of Default shall have occurred, or event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default has then occurred, all such rents and other sums shall be paid and applied as follows:

(1) Rents. The amounts from time to time received by the Bank that constitute payment of rents under the Soo Lease shall be applied: first, to any unpaid costs (including, without limitation, those contained in Article XI) or expenses of the Bank incurred pursuant to this Agreement or the Term Note; second, to unpaid late charges; third, to interest then due and payable on the Term Note; fourth, to principal in accordance with the Term Note; and fifth, any excess then remaining promptly shall be remitted to the Borrower (provided, however, that in the event that an instrument making a rent payment is subsequently dishonored, the Borrower promptly shall refund to the Bank the amount of any such excess payment).

(2) Casualty Payments. Any amounts received by the Bank that constitute payment on account of a casualty pursuant to the Soo Lease shall be applied: first, in accordance with clauses first, second and third of sub-part (a)(1) of this Section 2.8; second, to prepayment (in whole or in part, as applicable) of the principal of the Term Note, in inverse order of maturity; and third, any excess then remaining promptly shall be remitted to the Borrower.

(3) Lease Default Payments. Any amounts received by the Bank pursuant to the exercise of the remedies provided in the Soo Lease (or otherwise available at law or in equity as a result

of the occurrence of an event of default under the Soo Lease) shall be applied: first, in accordance with clauses first and second of sub-part (a) (2) of this Section 2.8; and second, any excess then remaining promptly shall be remitted to the Borrower.

(b) Any payments received by the Bank as amounts paid by the Lessee pursuant to the Soo Lease in connection with the payment or reimbursement of Taxes, fees or other charges (hereinafter collectively referred to as "Tax Payments") promptly shall, so long as Borrower is not in default of its obligations hereunder, be remitted to the Borrower.

(c) Borrower shall establish and maintain an account with the Bank (the "Collateral Account") and shall direct the Lessee to make all future payments of rent and other sums becoming due under the Soo Lease directly to the Bank, for deposit into the Collateral Account; and in furtherance thereof, shall: (i) execute and deliver to the Bank such documents as may be required to establish such account, and (2) execute and cause the Lessee to acknowledge a notice of assignment in substantially the form attached hereto as Exhibit C (the "Notice") directing the Lessee to make all future payments of rent and other sums becoming due under the Soo Lease directly to the Bank as provided herein.

Section 2.9. Evidence of Indebtedness. The Term Loan and the Borrower's obligation to repay the Term Loan with interest shall be evidenced by this Agreement, the Term Note and the records of the Bank.

ARTICLE III

CONDITIONS TO THE MAKING OF THE TERM LOAN

Section 3.1. Conditions Precedent. The Bank's obligation to make the Term Loan hereunder shall be subject to its receipt of each of the following, in form and substance, and in the case of (a), (b), (f), and (h) certified in a manner satisfactory to the Bank:

(a) A certificate of the Secretary or Assistant Secretary of the Borrower substantially in the form of Schedule 3.1(a) attached hereto with respect to the officers of the Borrower authorized to execute and deliver this Agreement and the other Loan Documents, to which shall be attached copies of the resolutions, bylaws and articles of incorporation referred to in such certificate.

(b) [Intentionally Omitted].

(c) A good standing certificate with respect to the Borrower, issued as of a recent date by the Secretary of State of Florida.

(d) Four (4) originally executed counterparts of this Agreement.

(e) the executed Term Note;

(f) An executed full warranty Bill of Sale, dated as of December 27, 1991, from the Seller to the Borrower, conveying to the Borrower good and marketable title to the Hopper Cars, free and clear of all Liens.

(g) [Intentionally Omitted].

(h) The Purchase Agreement, dated as of December 10, 1991, duly executed on behalf of the Seller and the Borrower.

(i) A signed opinion of counsel to the Borrower dated the date hereof, substantially in the form of Schedule 3.1(i) attached hereto.

(j) Copies of appropriate financing statements on Form UCC-1, duly executed by the Borrower and duly filed in such office or offices as may be necessary or, in the opinion of the Bank or its counsel, desirable to perfect the security interests granted hereunder.

(k) One (1) originally executed counterparts of the Soo Lease.

(l) Evidence of the filing of the Soo Lease with the ICC pursuant to 49 U.S.C. §11303.

(m) Evidence of the filing of this Agreement with the ICC pursuant to 49 U.S.C. §11303.

(n) A fully executed copy of the Notice, duly acknowledged by the Lessee.

(o) Payment by the Borrower to the Bank of the Facility Fee, which fee is deemed fully earned and nonrefundable.

Section 3.2. Conditions Subsequent. In consideration, in part, for the Bank's agreeing to make the Term Loan on an expedited basis, prior to the satisfaction of certain conditions precedent that are material to the Bank's agreement to make the Loan, the Borrower agrees to provide the Bank with the following, in form and

substance satisfactory to the Bank, within thirty (30) days from the date of this Agreement:

(a) (1) Copies } *certificates of insurance* *mu* S
of all insurance policies and endorsements thereto of the Borrower or the Lessee covering the Hopper Cars showing that there exists adequate liability, casualty and hazard insurance coverage, including casualty insurance coverage in an amount at all times equal to the greater of the full replacement cost of the Hopper Cars or \$1,000,000; and (2) loss payable endorsements satisfactory to the Bank and in favor of the Bank with respect to all property insurance.

(b) Uniform Commercial Code lien searches of the financing statement records of the Secretary of State of the State of Florida.

(c) Evidence of the deposit of this Agreement with the Registrar-General of Canada pursuant to Section 90 of the Railway Act of Canada and evidence of the publication of notice of such deposit in The Canada Gazette.

(d) The Notice executed by the Lessee. mu CS.

ARTICLE IV

SECURITY

Section 4.1. Grant of Security. In order to secure the prompt payment of the principal of, premium, if any, and interest on the Term Note (whether now or hereafter outstanding) and of all other moneys payable and to be payable to the Bank under this Agreement (collectively, the "Indebtedness"), and the timely and faithful performance and observance by the Borrower of all of the agreements, covenants and provisions contained in this Agreement and in the Term Note, the Borrower has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over to the Bank, and does hereby grant the Bank, a continuing first priority security interest in and to, and lien on, the following collateral (the "Collateral"), to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever:

(a) the Hopper Cars;

(b) the Borrower's interest in all improvements, additions, accessions, equipment, appurtenances and parts appertaining or attached to the Hopper Cars, whether now owned or hereafter acquired, and all substitutions and replacements of the Hopper Cars described above (the Hopper Cars and the equipment described in items (a) and (b) herein being hereinafter sometimes collectively called the "Equipment Collateral"), together with all

the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof;

(c) all proceeds (including, without limitation, insurance and indemnity payments) from the sale, loss or other disposition of the Equipment Collateral;

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

(e) any agreement now or hereafter entered into for leasing the Hopper Cars to any third party, including, without limitation, the Soo Lease (such documents collectively referred to as the "Assigned Documents"), together with all of the Borrower's estate, right, title, interest, claims and demand in, to and under the Assigned Documents, including all extensions, renewals and replacements thereof, together with all rights, powers, privileges, options, and other benefits of the Borrower, including, without limitation, the right to receive all notices, give consents, exercise any election or option, declare defaults and demand payments under the Assigned Documents;

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

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

Section 4.2. Use And Maintenance Of Equipment Collateral.

(a) The Borrower shall use, and cause each lessee to use, the Hopper Cars only in the manner for which they were designed and intended and so as to subject them only to ordinary wear and tear. The Hopper Cars shall not be used in any manner that is in violation of, or more hazardous than permitted by, the insurance maintained under Section 5.1. The Borrower agrees that it will cause the Lessee to not discriminate against any Hopper Car (as compared to other similar equipment owned or leased by Lessee) with respect to its use, operation or maintenance in contemplation of the expiration or termination of the Soo Lease.

(b) At its own expense, the Borrower shall maintain and keep, and cause each lessee to maintain and keep, each of the Hopper Cars and the component parts thereof in good operating

condition and repair suitable for the commercial use as originally designed and intended (i) in accordance with prudent Class I railroad industry maintenance practices, (ii) in a manner consistent with maintenance practices used by it or its lessee (as applicable) in respect of equipment owned or leased by it or its lessee (as applicable) similar in nature to the Hopper Cars, and (iii) in compliance with all Applicable Laws, including any applicable Interchange Rules. The Borrower shall perform, and cause each lessee to perform, all inspections of the Hopper Cars and maintain all records, logs and other materials required by the United States Department of Transportation or any other governmental body having jurisdiction over it, its lessee or the Hopper Cars to be maintained in respect of the Hopper Cars.

(c) The Borrower shall not make, nor permit any lessee to make, any additions, improvements, modifications or alterations to any Hopper Car unless consented to in writing by the Bank and the same are readily removable without causing material damage to such Hopper Car or otherwise adversely affecting the value and/or utility of such Hopper Car.

Section 4.3. Use and Possession in Railroad Operations. So long as no Event of Default shall have occurred, the Borrower shall be entitled to the possession of the Hopper Cars and to the use thereof upon the lines of railroad owned or operated by it or its lessee, or upon lines of railroad over which it or its lessee has trackage or other operating rights or over which it or its lessee's equipment is regularly operated pursuant to contract or upon connecting and other carriers 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 Agreement. Notwithstanding the foregoing, the Hopper Cars shall not be used outside the continental United States and Canada.

Section 4.4. Marking of Hopper Cars. The Borrower shall, at its sole cost and expense, cause the Hopper Cars to be kept numbered with the identifying road numbers set forth in Schedule 1 hereto, 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 extending this Agreement to cover such equipment, and to keep and maintain marked, plainly, distinctly, permanently and conspicuously by a plate or stencil printed in contrasting colors upon each side of each Hopper Car in letters not less than one inch in height the words "Ownership Subject to a Loan Agreement, Chattel Mortgage and Security Agreement filed with the Interstate Commerce Commission," or other appropriate markings approved in writing by the Bank, with appropriate changes thereof and additions thereto as from time to time may be required by Applicable Law in order to protect the Bank's security interest in the Equipment Collateral, including, but not limited to, the Hopper

Cars and its rights under this Agreement. The Borrower shall, at its sole cost and expense, cause any such markings that may be removed, defaced, obliterated or destroyed to be promptly replaced and shall not change, or permit the Lessee to change, the numbers of the Hopper Cars except in accordance with a statement of new road number or numbers to be substituted therefor, which statement previously shall have been delivered to the Bank and filed, recorded and deposited by the Borrower, at the Borrower's sole cost and expense, in all public offices where this Agreement shall have been filed, recorded and deposited.

Section 4.5. Prohibition against Certain Designations. The Borrower will not allow the name of any Person to be placed on the Hopper Cars as a designation that might be interpreted as a claim of ownership; provided, however, that the Borrower may permit its lessee(s) to cause the Hopper Cars to be lettered with the names or initials or other insignia customarily used by such lessee on railroad equipment used by it of the same or a similar type for convenience of identification.

Section 4.6. Registration of Hopper Cars. The Borrower shall, at its sole cost and expense, register or cause to be registered the Hopper Cars and any substitute equipment in accordance with any and all applicable federal, state, and local registration requirements of the Association of American Railroads, the United States Department of Transportation and the ICC.

Section 4.7. Rules, Laws and Regulations. The Borrower shall comply, and cause each lessee to comply, with all Applicable Laws (including, without limitation, the rules of the United States Department of Transportation (including the rules and regulations of the Federal Railroad Administration) and the ICC as the same may be in effect from time to time) with respect to the use and maintenance of each Hopper Car. In case any equipment or appliance is required to be altered, added, replaced or modified on any Hopper Car in order to comply with such Applicable Laws, the Borrower agrees to make, or cause its lessee to make, such alterations, additions, replacements and/or modifications at its own cost and expense and title thereto shall be immediately vested in the Borrower, free and clear of any liens or encumbrances

Section 4.8. The Bank as Agent. The Borrower hereby appoints the Bank, its successors and assigns, the true and lawful attorney of the Borrower, irrevocably and with full power of substitution, in the name of the 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 Article IV; (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 the Bank may deem reasonably necessary or advisable.

Anything herein contained to the contrary notwithstanding, neither the Bank nor its nominee or assignee shall have any obligation or liability by reason of or arising out of this Article IV 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 Article IV; provided, however, that the Bank will notify the Borrower if any payment due by the Lessee under the Soo Lease is not received by the Bank on the scheduled due date for payment or if received, is less than the amount then due and payable by the Lessee thereunder.

Section 4.9. Perfecting Interest in Collateral. The Borrower shall, from time to time and at its sole cost and expense, promptly execute, acknowledge, witness, deliver and file and/or record, or procure the execution, acknowledgment, witnessing, delivery and filing and/or recordation of, such documents or instruments, and shall take or cause to be taken such other actions, as the Bank may reasonably request for the perfection against the Borrower and all third parties whomsoever of the security interest created by this Article IV, of the rights and powers herein granted to the Bank and for the continuation and protection thereof and promptly give to the Bank evidence satisfactory to the Bank of such delivery and filing and/or recording. Without limiting the generality of the foregoing, the Borrower shall from time to time and at any time execute, acknowledge, witness and deliver such financing and continuation statement, notice and additional security agreement, make such notations on its records and take such other action as the Bank may reasonably request for the purpose of so perfecting, maintaining and protecting such security interest of the Bank, and shall cause this Agreement and each such financing and continuation statement, notice and additional security agreement to be filed or recorded in such manner and in such places as may be required by Applicable Law and as the Bank may reasonably request for such purpose. The Borrower hereby authorizes the Bank to effect any filing or recording which the Bank has requested pursuant to this Section 4.9 without the signature of the Borrower to the extent permitted by Applicable Law. The costs and expenses of the Bank with respect to such actions shall be payable by the Borrower on demand.

Section 4.10. Disclaimer by the Bank. The Bank makes no representations or warranties with respect to the Collateral or any part thereof. The Bank shall not be chargeable with any obligations or liabilities of the Borrower with respect to the Collateral. The Bank shall have no liability or obligation arising

out of any claims, known or unknown, with respect to the Collateral.

ARTICLE V

INSURANCE AND CASUALTY

Section 5.1. Insurance. So long as all of the Hopper Cars are leased to the Lessee under the Soo Lease, the Borrower will cause the Lessee to maintain, at its own cost and expenses the insurance required by Part VIII of the Soo Lease. At such times as any of the Hopper Cars are not leased to the Lessee under the Soo Lease, the Borrower, at its sole cost and expense, will carry and maintain, and will cause each lessee, at its own cost and expense, to carry and maintain:

(a) all risks property insurance with respect to each Hopper Car in an amount equal to its Casualty Value, with a deductible not in excess of \$1,500 per occurrence;

(b) comprehensive general public liability insurance with respect to third party personal, bodily injury including death, property damage, liability (including contractual liability and cross liability), in each case with deductibles not in excess of \$250,000 per occurrence and in such amounts of not less than \$20,000,000 per occurrence; and

(c) insurance required under the Federal Employers Liability Act for employee injury or death or occupational disease, and Employers Liability Insurance as required by law.

Each policy of insurance shall:

a. be issued by one or more recognized, financially sound and responsible insurance companies approved by the Bank, which are qualified or authorized by the Applicable Laws of the states in which the Borrower does business to assume the risks covered by such policy, and rated "A" or higher by A.M. Best Company Best's Insurance Guide and Key Ratings;

b. with respect to the property insurance, have attached thereto standard non-contributing, non-reporting mortgagee clauses in favor of and entitling the Bank without contribution to collect any and all proceeds payable under such insurance;

c. provide that the Bank shall be given at least thirty (30) days' prior written notice of the effective date of any material alteration, cancellation or non-renewal of each such policy;

d. provide that insurance as to the interest of the Bank shall not be invalidated by any actions, inactions, breaches of warranty or conditions, or negligence of the Borrower, any lessee or any other Person with respect to each such policy and that any loss otherwise payable thereunder shall be payable notwithstanding any such actions, inactions, breaches or negligence of the Borrower, any lessee or any other Person that might, absent such provision, result in a forfeiture of all or a part of such insurance payment; which insurance shall provide the insurer's waiver of its right of subrogation, set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability against the Borrower and provide that there is no recourse against the Bank or any assignee for payment of premium, commissions, direct calls, assessments or advances;

e. be in amounts not less than and insure against such risks so as to be no less protective than the insurance, if any, maintained by the Borrower or any lessee with respect to similar equipment which it owns or leases; be consistent with prudent railroad industry practice and be in form and content satisfactory to the Bank; and

f. insure against such further risks as the Bank may reasonably specify from time to time.

The Borrower shall furnish the Bank with certificates or other evidence satisfactory to it of the maintenance of the insurances so required.

The Borrower shall immediately notify the Bank of any cancellation, alteration or non-renewal of any of such insurance policies. The Borrower shall promptly pay, or cause to be paid, all premiums when due on such insurance and, not less than thirty (30) days prior to the expiration date of each such policy, the Borrower shall deliver, or cause to be delivered, to the Bank a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to the Bank. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. The Bank shall not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (1) the existence, non-existence, form or legal sufficiency thereof, (2) the solvency of any insurer, or (3) the payment of losses.

If the Borrower fails to maintain the insurance required by this Section 5.1, the Bank may procure such insurance (but is not obligated to do so) and the cost of such insurance shall be secured hereby and will be payable to the Bank on demand with interest at a rate equal to the Default Rate from the date incurred until paid

in full. The Borrower agrees that the proceeds of all such insurance, if any loss should occur, shall be applied to the payment of any or all of the Obligations hereby secured or to the cost, in whole or in part, of the repair, restoration and replacement of the property damaged or destroyed (without obligation to see that the funds are so applied), as the Bank may elect or direct in its sole discretion. The Bank shall have the right, in the Borrower's name, the lessee's name or in its own name, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be made thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents as may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

Section 5.2. Duty of Borrower to Notify Bank. In the event (i) of the loss or theft for more than twenty (20) days of any Hopper Car, (ii) of the actual or constructive total loss of any Hopper Car, (iii) of the destruction of any Hopper Car or damage thereto to such extent as shall make repair thereof uneconomical or shall render the Hopper Car permanently unfit for normal use for any reason whatsoever, (iv) any Hopper Car shall be worn out, (v) title to or use of any Hopper Car shall be requisitioned or taken by any Governmental Authority under the power of eminent domain or otherwise, (vi) any Hopper Car shall have been returned permanently to the Seller pursuant to a material breach of a Seller's warranty, or (vii) the use of any Hopper Car in the normal course of interstate rail transportation shall have been prohibited as a result of any rule, regulation, order or other action by a United States Governmental Authority for a continuous period (any such occurrence being hereinafter called a "Casualty Occurrence"), the Borrower shall promptly and fully, and in any event within sixty (60) days after it has knowledge of such Casualty Occurrence, pay the Casualty Value of such Hopper Car in accordance with the terms of Section 5.4.

Section 5.3. Notice of Casualty. The Borrower shall give the Bank written notice of any Casualty Occurrence within forty-eight (48) hours after the occurrence thereof.

Section 5.4. Sum Payable As a Result of a Casualty Occurrence. The Borrower, on the next succeeding installment payment date under the Term Note following the happening of a Casualty Occurrence, shall pay to the Bank, a sum equal to the Casualty Value of such Hopper Car(s) as of the date of such payment. For purposes hereof, the "Casualty Value" of each Hopper Car shall be equal to the product obtained by multiplying the then outstanding principal balance of the Term Note by the fraction, the numerator of which is one (1) and the denominator of which is the

total number of Hopper Cars securing the Borrower's Obligations prior to the Casualty Occurrence.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and to make the Term Loan, the Borrower hereby represents and warrants as follows:

Section 6.1. Organization; Power; Qualification. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida; has the full power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted; and is duly qualified and is in good standing as a foreign corporation, and authorized to do business, in all jurisdictions in which the character of its properties or the nature of its business requires such qualification or authorization.

Section 6.2. Authorization of and Compliance with Agreement, Other Loan Documents and Borrowing. The Borrower has the full power, and has taken all necessary corporate (including stockholder, if necessary) action to authorize it to execute, deliver and perform this Agreement and the other Loan Documents in accordance with their respective terms and to borrow hereunder the amount of the Term Loan. This Agreement and the other Loan Documents have been duly executed and constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with the terms thereof. The execution, delivery and performance of this Agreement and the other Loan Documents in accordance with their respective terms, and the borrowing hereunder, do not and will not (a) require (i) any consent or approval of the stockholders or holders of any indebtedness of the Borrower or (ii) any Governmental Approval that has not been obtained and is not listed on, and a copy (certified in the case of Governmental Approvals) of which is not attached to, Schedule 6.2; (b) violate or conflict with, result in a breach of, or constitute a default under, (i) any Contract to which the Borrower is a party or by which the Borrower or its properties may be bound or affected or (ii) any Applicable Law, the failure to comply with which would have a Materially Adverse Effect upon the Borrower or upon its assets; or (c) result in or require the creation of any Lien upon any assets of the Borrower other than Permitted Liens.

Section 6.3. Litigation. Except as set forth in Schedule 6.3, there are not, in any court or before any arbitrator

of any kind or before or by any Governmental Authority or non-governmental authority, any actions, suits or proceedings pending, or, to the knowledge of the Borrower, threatened (nor, to the knowledge of the Borrower, is there any basis therefor probable of assertion) against or in any other way relating to or affecting (a) the Collateral, or (b) this Agreement or any of the other Loan Documents.

Section 6.4. No Conflicting Agreements. The execution, delivery or performance of the terms of this Agreement or of any of the other Loan Documents executed and delivered by the Borrower will not violate, conflict with, be prevented by, result in a breach of or constitute a default under any (a) agreement of any kind among the stockholders of the Borrower, (b) provision of the articles of incorporation or bylaws of the Borrower, (c) provision of any existing mortgage, deed of trust, contract, lease, security agreement, indenture or other agreement binding on the Borrower or affecting any of its property, or (d) Applicable Law, order of court or directive of any other Governmental Authority binding upon the Borrower.

Section 6.5. Taxes. The Borrower has filed all required federal, state and local tax returns and has paid all Taxes as the Taxes have become due, prior to the date on which penalties attach thereto unless and to the extent only that (a) the Taxes are currently being contested in good faith, by appropriate and diligent legal proceedings, and (b) adequate reserves therefor have been established by the Borrower for the payment thereof as required under GAAP.

Section 6.6. No Adverse Fact. No fact or circumstance is known to the Borrower, which, either alone or in conjunction with all other such facts and circumstances known to the Borrower, has had or might in the future have (so far as the Borrower can foresee) a Materially Adverse Effect upon the Borrower's performance of its obligations under this Agreement or the other Loan Documents or the Collateral.

Section 6.7. No Default. There is no Event of Default and no Default. The Borrower is not in default under the terms of any other agreement or instrument, or any order, injunction or decree of any court or Governmental Authority, to which the Borrower may be a party or by which any of its assets may be bound or subject.

Section 6.8. Financial Condition. The financial statements of the Borrower most recently submitted to the Bank are true, complete and correct in all respects and, in the opinion of the Borrower, fairly and accurately present the financial condition of the Borrower as of the dates thereof and for the periods referred to therein and have been prepared in accordance with GAAP

throughout the periods involved. There are no liabilities, direct or indirect, fixed or contingent, of the Borrower except as reflected in such financial statements or in the notes thereto. There has been no adverse change in the financial condition or operations of the Borrower since the date of such financial statements (and to the Borrower's knowledge, no such adverse change is pending or threatened), and the Borrower has not guaranteed the obligations of, or made any investments in or advances to, any Person except as disclosed in such financial statements.

Section 6.9. Full Disclosure. The financial statements referred to in Section 6.8 do not, nor does this Agreement, nor do any written statements furnished by the Borrower to the Bank in connection with the making of the Term Loan, contain any untrue statement of fact or omit a fact necessary to make the statements contained therein or herein not misleading. There is no fact that the Borrower has not disclosed to the Bank in writing that materially affects, or will or could prove to materially affect, the Borrower's assets or the business, prospects, profits or condition (financial or otherwise) of the Borrower or the ability of the Borrower to pay and perform the Term Loan in full.

Section 6.10. Regulatory Approvals. All Governmental Approvals necessary for the execution, delivery and performance of this Agreement and each of the other Loan Documents have been obtained and remain in full force and effect.

Section 6.11. Collateral. Except for the liens in favor of the Bank, the Borrower has good and marketable title to the Collateral, free and clear of any and all Liens. The purchase price paid by the Borrower for the Collateral was equal to its then fair market value.

Section 6.12. Principal Place of Business; Location of Books and Records. The principal place of business and chief executive office of the Borrower is at 1348 Greenland Trace, DeLand, Florida 32721. The books and records of the Borrower are located at such address and are not subject to the control of any Person other than the Borrower and its employees for the purposes of administration, servicing, collection or otherwise, nor does any other Person have any interest therein.

Section 6.13. ERISA. With respect to any "pension plan" as defined in Section 3(2) of ERISA, which plan is now or previously has been maintained or contributed to by, (a) the Borrower, (b) any member of a "controlled group" of corporations (as defined in Section 414(b) of the Code) that includes the Borrower, (c) any trade or business (whether or not incorporated) that is under "common control" (as defined in Section 414(c) of the Code) with the Borrower, or (d) any organization (whether or not

incorporated) which is a member of an "affiliated service group" (as defined in Section 414(m) of the Code) that includes the Borrower, or (e) any other entity required to be aggregated with the Borrower pursuant to the regulations under Section 414(o) of the Code (hereinafter, an entity referred to in (b), (c), (f) and/or (e) is referred to as a "Commonly Controlled Entity"): (1) no "accumulated funding deficiency" as defined in Code §412 or ERISA §302 has occurred, whether or not the accumulated funding deficiency has been waived; (2) no "reportable event" as defined in ERISA §4043 has occurred; (3) no termination or partial termination of any plan subject to Title IV of ERISA has occurred; and (4) no termination or partial termination has occurred.

With respect to any "multiemployer plan" as defined in Section 3 (37) of ERISA: (a) neither the Borrower nor any Commonly Controlled Entity has incurred a "complete withdrawal" within the meaning of ERISA §4203; (b) neither the Borrower nor any Commonly Controlled Entity has incurred a "partial withdrawal" within the meaning of ERISA §4205; and (c) no multiemployer plan to which the Borrower or any Commonly Controlled Entity has an obligation to contribute is in reorganization within the meaning of ERISA §4241, nor has notice been received by the Borrower or any Commonly Controlled Entity that such a multiemployer plan will be placed in reorganization.

Section 6.14. Recitals. The Recitals to this Agreement are true and accurate in each and every respect and are all incorporated by reference herein.

Section 6.15. Nature of Term Loan; Usury; Disclosures. The Borrower is a business or commercial organization, and the Term Loan is being made solely for the purpose of carrying on or acquiring business or commercial enterprises. The rate of interest charged on the Term Loan does not and will not violate any usury law or interest rate limitation.

ARTICLE VII

AFFIRMATIVE COVENANTS

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

Section 7.1. 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.

Section 7.2. Preservation of Licenses. Preserve and maintain all of its other franchises, licenses, rights and privileges, the absence of which would have a Materially Adverse Effect on the financial condition or business operations of the Borrower or on the value or use of the Borrower's assets.

Section 7.3. Payment of Taxes and Claims. Pay or discharge when due, or use its best efforts to cause each lessee to pay or discharge when due, all Taxes and all claims which might become a Lien on the Collateral as the same become due prior to the date on which penalties attach thereto, except for any such Taxes and claims which the Borrower or the lessee (as the case may be) is contesting in good faith, by appropriate and diligent legal proceedings and with respect to which the Borrower or the lessee (as the case may be) has established adequate reserves in accordance with GAAP.

Section 7.4. Visits and Inspections. Permit representatives (whether or not officers or employees) of the Bank, from time to time, as often as may be reasonably requested to (a) visit and inspect the Collateral wherever the same may be located and all books, logs and records related thereto, (b) make extracts from such books, logs and records, and (c) discuss with its principal officers and its independent agents any questions which the Bank may have with respect to the same.

Section 7.5. Encumbrances. Keep, and cause each lessee to keep, the Collateral free and clear from all Liens except Permitted Liens and shall notify, and use its best efforts to cause each lessee to notify, the Bank in writing immediately upon learning of any Lien.

Section 7.6. Repossession of Hopper Cars. Immediately upon the request of the Bank, exercise any rights it may have to repossess the Hopper Cars covered by any lease, including the Soo Lease, pursuant to Section 1168 of Title 11 of the United States Code or any successor statute.

Section 7.7. Compliance with AAR Regulations, etc. Comply, and use its best efforts to cause the each lessee to comply, with the rules and regulations of the Association of American Railroads and any successor organization thereof, the United States Department of Transportation and the ICC as they relate to or affect the Equipment Collateral.

Section 7.8. Books and Records. (a) Keep and maintain accurate books and records in accordance with GAAP, (b) unless the Bank shall otherwise consent in writing, keep and maintain all such books and records only at the address of the Borrower listed above and only in appropriate containers in safe places, and (c) permit

any Person designated by the Bank to enter its premises and examine, audit and inspect the books and records at any reasonable time and from time to time without notice.

Section 7.9. ERISA. (a) With respect to any "pension plan" that the Borrower and/or any Commonly Controlled Entity maintains or contributes to, either now or in the future: (1) maintain such bonding for the Borrower and its employees and agents and every fiduciary of the "pension plan" and every Person who handles "pension plan" monies as is required under ERISA §412; and (2) deliver to the Bank, as soon as practicable and in any event within fifteen (15) days after the Borrower or any Commonly Controlled Entity knows or has reason to know that a "reportable event" has occurred or is likely to occur, a certificate signed by its principal financial officer setting forth the details of such "reportable event"; and (b) upon the Bank's request, deliver to the Bank a copy of the most recent actuarial report, financial statements and annual report completed with respect to any "defined benefit plan," as defined in ERISA §3(35), or any "defined contribution plan," as defined in ERISA §3(34).

Section 7.10. Environmental Covenants.

(a) Notice. Immediately notify the Bank if the Borrower or any of its lessees (1) generates, produces, manufactures, processes, refines, handles, transfers, transports, treats, stores, recycles or disposes of Hazardous Substances; (2) receives notice from any Person that it is a potentially responsible party under CERCLA or is potentially liable under any of the other Environmental Laws; (3) receives notice from any Person of any claim, proceeding, litigation, order, directive, or request for information regarding environmental matters; (4) receives notice from any Person of any alleged violation of any of the Environmental Laws; or (5) receives any information concerning any potentially adverse environmental condition, including, but not limited to, any Contamination, for which the Borrower may be liable in whole or in part.

(b) Hazardous Substances. Conduct its business, and shall cause each lessee to conduct their respective businesses, in compliance with the Environmental Laws and shall not, and shall cause each lessee not to, generate, treat, produce, store, handle, transfer, process, transport, dispose, recycle or otherwise release Hazardous Substances if by doing so the Borrower or any lessee (1) creates or causes a Contamination, (2) incurs any form of liability, direct or indirect, or (3) contravenes or violates any of the Environmental Laws.

Section 7.11. Taxes. Pay all Taxes in connection with the issuance, sale or delivery of the Term Note and the execution and

delivery of this Agreement and the other Loan Documents and the transactions contemplated thereby and will save the Bank harmless, without limitation as to time, against any and all liabilities with respect to all such Taxes. The Borrower will also pay all other Taxes that may be levied on the Term Note or interest thereon, except any income tax imposed under the laws of the United States of America or other Governmental Authority, and will save the Bank harmless, without respect to all such Taxes. The obligations of the Borrower under this Section 7.11 shall survive the payment or prepayment of the Term Note and the termination of this Agreement.

ARTICLE VIII

NEGATIVE COVENANTS

The Borrower shall not, without the prior written consent of the Bank, directly or indirectly:

Section 8.1. Indebtedness. Create, incur, guaranty, assume or suffer to exist (a) any liability, fixed or contingent, for borrowed money except (1) indebtedness secured by Permitted Liens, (2) borrowings contemplated hereunder, and (3) trade indebtedness arising in the ordinary course of its business.

Section 8.2. Contingent Liabilities. Assume, guarantee, sell with recourse, endorse, contingently agree to purchase, become surety for or otherwise become liable upon the obligation of any Person, except by the endorsement of negotiable instruments for deposit or collection.

Section 8.3. Sale of Assets. Sell, lease, sublease, or otherwise transfer or dispose of any of the Collateral. Any consent of the Bank to the disposition of the Collateral may be conditioned on a specified use of the proceeds of disposition.

Section 8.4. Lease Assignment. Assign any of its rights under the Soo Lease to any Person other than the Bank or permit the Lessee to assign its obligations to any other Person, it being understood that the Lessee may engage in inter-line sharing of Hopper Cars to the extent customary in the railroad industry.

Section 8.5. Soo Lease. Agree to amend, supplement or modify any provision of the Soo Lease.

Section 8.6. Merger or Acquisition. Alter or amend its capital structure, dissolve, merge or consolidate with or into any other Person, or acquire any interest in, or a substantial portion of, the assets or obligations of any other Person.

Section 8.7. Change in Ownership/Management. 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.

Section 8.8. Line of Business. Enter into any lines or areas of business substantially different from the business activities in which it is presently engaged.

Section 8.9. ERISA Compliance. Permit any Commonly Controlled Entity, (a) with respect to any "pension plan" that the Borrower and/or any Commonly Controlled Entity maintains or contributes to, either now or in the future, (1) engage in or permit to occur any "prohibited transaction" (as defined in Section 406 or Section 203(a) of ERISA or Section 4975 of the Code), (2) incur any "accumulated funding deficiency" whether or not waived, or (3) terminate any pension plan in a manner that could result in the imposition of a lien on the property of the Borrower pursuant to Section 4068 of ERISA; and (b) with respect to any "multiemployer plan" that the Borrower and/or any Commonly Controlled Entity maintains or contributes to, either now or in the future, (4) terminate or consent to the termination of any multiemployer plan, (5) incur a complete or partial withdrawal from any multiemployer plan within the meaning of ERISA §§4203 and 4205, or (6) fail to notify the Bank within fifteen (15) days after receiving notice that any multiemployer plan has been or will be placed in "reorganization."

ARTICLE IX

FINANCIAL INFORMATION; NOTICES

Until such time as all of the Obligations have been paid in full, the Borrower shall furnish to the Bank, at the Borrower's sole cost and expense:

Section 9.1. Quarterly Financial Statements. Within sixty (60) days after the close of each quarterly accounting period in each fiscal year of the Borrower, the internally prepared balance sheets of the Borrower as at the end of such quarterly period and the related statements of income, retained earnings and changes in financial position of the Borrower for the elapsed portion of the fiscal year ended with the last day of such quarterly period and setting forth after the end of the first fiscal year of the Borrower, in each case in comparative form the figures for the corresponding quarter of the previous fiscal year, each of which shall be accompanied by a certificate of the president or chief financial officer of the Borrower in the form of Schedule 9.1, all

in reasonable detail, prepared in accordance with GAAP, certified by the principal financial officer of the Borrower and satisfactory to the Bank.

Section 9.2. Year-End Financial Statements. Within two hundred ten (210) days after the end of each fiscal year of the Borrower, the unqualified, audited balance sheets of the Borrower as at the end of such fiscal year and the related statements of income, retained earnings and changes in financial position of the Borrower for such fiscal year, and, on and after the end of the second fiscal year of the Borrower, setting forth, in comparative form the figures as at the end of and for the previous fiscal year, in each case in reasonable detail, prepared in accordance with GAAP, and certified by independent certified public accountants of recognized standing satisfactory to the Bank, the certificates of which shall be in scope and substance satisfactory to the Bank.

Section 9.3. Additional Materials. From time to time and promptly upon request of the Bank, such data, certificates, reports, statements, documents or further information regarding this Agreement, any of the other Loan Documents, the Soo Lease, the Lessee and/or the Hopper Cars, in each case in form and substance and certified in a manner satisfactory to the Bank.

Section 9.4. Notice of Defaults. Notify the Bank promptly in writing of: (a) any Default or Event of Default hereunder; and (b) any event of default under the Soo Lease.

Section 9.5. Lease Notices. Provide the Bank promptly, with copies of all notices received or sent by the Borrower or to it in connection with the Soo Lease.

Section 9.6. Notice of Litigation. Give prompt notice to the Bank in writing, with a full description, of all litigation and of all proceedings before any court or any Governmental Authority that might affect the conduct of the business of the Borrower, the financial condition of the Borrower, the Collateral or the performance by the Borrower of its obligations under the Loan Documents.

Section 9.7. Duty of Borrower to Furnish. On or before June 1, 1992, and on each June 1 thereafter, the Borrower will furnish to the Bank an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Hopper Cars; the amount, description and numbers of all Hopper Cars that may have suffered a Casualty Occurrence during the twelve (12) months ending on such December 31; describing the insurance that is in force with respect to the Hopper Cars; and such other information regarding the condition or repair of the Hopper Cars as the Bank may reasonably request, and (b) stating that, in the case

of all Hopper Cars repainted during the period covered by such statement, the markings required by Section 4.4 shall have been preserved or replaced.

Section 9.8. Governmental Regulation Generally. The Borrower shall promptly notify the Bank in the event that the Borrower receives any notice, claim or demand from any Governmental Authority which alleges that the Borrower is in violation of any of the terms of, or has failed to comply with any applicable order issued pursuant to any Applicable Law regulating its operation and business, including, but not limited to, the Occupational Safety and Health Act and the Environmental Protection Act.

ARTICLE X

DEFAULT

Each of the following shall constitute an event of default (an "Event of Default") hereunder, whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of the Borrower or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any Governmental Authority or non-governmental authority:

Section 10.1. Failure to Pay. The Borrower shall fail to pay any of the Obligations, including, but not limited to, principal of, premium, if any, or interest on, the Term Note, as and when due (whether at maturity, by acceleration or otherwise) and payable, which failure, with respect to the Term Note, continues uncured for a period of seven (7) days after notice thereof from the Bank.

Section 10.2. Breach of Representations and Warranties. Any representation or warranty made herein or in any report, certificate, opinion (including any opinion of counsel for the Borrower), financial statement or other instrument furnished in connection with the Obligations or with the execution and delivery of any of the Loan Documents, 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.

Section 10.3. Failure to Comply with Covenants. The Borrower shall fail to duly observe and perform:

(a) any term, covenant, condition or agreement contained in Sections 2.8, 3.2, 4.2, 4.3, 4.6, 4.9, 5.1, 5.2, 5.3, 5.4, 7.1, 7.2, 7.3, 7.5, 7.7, 7.10, 7.11 and Sections 8.1 through 8.9; and

(b) any term, covenant, condition or agreement contained in this Agreement or in any of the other Loan Documents (other than a term, covenant, condition or agreement a default in the performance or observance of which is elsewhere in this Article specifically dealt with) and in the case of any such default which is curable by the Borrower, such default shall continue unremedied for a period of thirty (30) days.

Section 10.4. Bankruptcy.

(a) The Borrower shall (1) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (2) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, (3) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (4) apply for, or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its assets, domestic or foreign, (5) admit in writing its inability to pay, or generally not be paying, its debts (other than those that are the subject of a bona fide dispute) as they become due, (6) make a general assignment for the benefit of creditors, or (7) take any corporate action for the purpose of effecting any of the foregoing; or

(b) A case or other proceeding shall be commenced against the Borrower in any court of competent jurisdiction seeking (1) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, or (2) the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower or of all or any substantial part of the assets, domestic or foreign, of the Borrower, or (3) an order granting the relief requested in such case or proceeding against the Borrower (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered.

Section 10.5. Default Under Other Loan Documents. A default or an Event of Default (as defined therein) shall occur under any of the other Loan Documents.

Section 10.6. Judgment; Attachment. A judgment in excess of \$10,000 is entered or an attachment is levied against the Collateral or other assets of the Borrower, which in the sole opinion of the Bank will adversely affect the Borrower's ability to perform hereunder or under any of the other Loan Documents or which

in the Bank's sole judgment will impair the enforceability of the Bank's lien upon, and security interest in, the Collateral.

Section 10.7. 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 inadequately bonded (in the Bank's sole judgment) for a period of fifteen (15) days after the creation thereof.

Section 10.8. Cross Default. The Borrower shall be in default under any direct, indirect or contingent material obligation or indebtedness now or hereafter existing in favor of the Bank or any other Person.

Section 10.9. Inadequacy of Collateral. The Bank shall determine in good faith that (a) its prospects for payment of the Term Note or any of the other Obligations are impaired for any reason, or (b) the Collateral is inadequate security for the Term Note and other Obligations.

ARTICLE XI

REMEDIES

Section 11.1. Acceleration. Upon the occurrence of an Event of Default (whether or not declared to be such by the Bank), and in every such event and at any time thereafter, the Bank may declare the Obligations immediately due and payable, both as to principal, premium, if any, and interest, without presentment, demand, protest, or any notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any of the other Loan Documents to the contrary notwithstanding.

Section 11.2. Additional Rights and Remedies. Upon the occurrence of an Event of Default (whether or not declared to be such by the Bank), and in every such event and at any time thereafter, the Bank shall have all of the rights and remedies of a secured party under 49 U.S.C. § 11303 and, to the extent applicable, the UCC as in effect from time to time and may at the 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 the Borrower:

(a) institute legal proceedings to recover judgment for all amounts then due and owing hereunder or under the Term Note, and to collect the same; and/or

(b) institute legal proceedings for the foreclosure and sale, under the judgment or decree of any court of competent jurisdiction, of the Collateral; and/or

(c) 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; and/or

(d) personally, or by agents or attorneys, enter into and upon any premises wherein the Collateral or any part thereof may then be located, and take possession of all or any part thereof or render it unusable, and, without being responsible for loss or damage, hold, store and keep idle, or operate, lease or otherwise use or permit the use of the same or any part thereof for such time and upon such terms as the Bank may determine, in a commercially reasonable manner; and/or

(e) personally, or by agents or attorneys, enter into and upon any premises wherein the Collateral or any part thereof may then be located, and take possession of all or any part thereof with or without process of law and without being responsible for loss or damage and sell or dispose of all or any part of the same, free from any and all claims of Borrower or of any other party claiming by, through or under Borrower at law, in equity or otherwise, at one or more public or private sales, in such place or places, at such time or times and upon such terms as the Bank may determine, in a commercially reasonable manner with or without any previous demand on or notice to Borrower or advertisement of any such sale or other disposal, except that the Bank shall provide Borrower with at least five (5) days' prior notice of such sale by certified mail, return-receipt requested; and for the aforesaid purposes, all other notices of sale, advertisement and demand and any right or equity of redemption otherwise required by, or available to Borrower under, Applicable Law are hereby waived by Borrower to the fullest extent permitted by Applicable Law; the power of sale hereunder shall not be exhausted by one or more sales, and the Bank may from time to time adjourn any sale to be made hereunder; and/or

(f) demand, collect, and retain all rents, earnings and all other sums due and to become due from any party 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; and/or

(g) if and to the extent the Event of Default results from a breach by Borrower of any representation, warranty or covenant of the Borrower contained herein, institute legal

proceedings against the Borrower to enforce performance of the applicable covenant of the Borrower or to recover damages for the breach of any such representation, warranty or covenant; and/or

(h) by notice in writing to the Borrower and the Lessee, terminate the Soo Lease, whereupon all right of the Lessee and the Borrower to the use of the Equipment Collateral shall absolutely cease and terminate as though the Soo Lease had never been made; and/or

(i) remove from the Borrower's places of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral; and/or

(j) make such use of the Borrower's places of business as may be reasonably necessary to administer, control and collect the Collateral; and/or

(k) require the Borrower to assemble the Collateral and make it available to the Bank, at a place designated by the Bank; and/or

(l) offset and apply to all or any part of the Obligations all moneys, credits and other property of any nature whatsoever of the Borrower now or at any time hereafter in the possession of, in transit to or from, under the control or custody of, or on deposit with, the Bank.

Section 11.3. Power of Attorney. The Borrower hereby appoints the Bank as its attorney-in-fact to accomplish any of the rights and remedies set forth in Section 11.2, in the name of the Borrower, the Bank, or the Bank's designees as the Bank may from time to time elect, said appointment being coupled with an interest and being irrevocable. The Borrower hereby ratifies and approves all acts of the Bank as its attorney-in-fact and will not hold the Bank liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law.

Section 11.4. Sale Notice, Expenses and Proceeds. Any written notice of the sale, disposition or other intended action by the Bank with respect to the Collateral that is sent by regular mail, postage prepaid, to the Borrower at the address set forth in Article XI, or such other address of the Borrower that may from time to time be shown on the Bank's records, at least five (5) days' prior to such sale, disposition or other action, shall constitute reasonable notice to the Borrower. The Borrower shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of the 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, shall be paid by the Borrower to the 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 the Bank to the payment of the Liquidation Costs, and any balance of such proceeds will be applied by the Bank to the payment of the balance of the Obligations in such order and manner of application as the Bank may from time to time in its sole discretion determine. After such application of the proceeds, any balance shall be paid to the Borrower or to any other party entitled thereto.

Section 11.5. Right to Purchase Collateral. At any sale pursuant to this Article, the Bank or its agent may, to the extent permitted by Applicable Law, bid for and, if the Bank is the highest bidder, purchase the Collateral offered for sale, may use any claim for Indebtedness payable to it as a credit against the purchase price and, upon compliance in full with the terms of such sale, may hold, retain and dispose of such property without further accountability therefor to the Borrower or any other party.

Section 11.6. Waiver by Borrower. To the fullest extent that it may lawfully so agree, the 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 Agreement or the absolute sale of any part or all of the Collateral or the possession thereof by any purchaser at any sale pursuant to this Article. The Borrower, for itself and all who may claim by, through or under it, as far as it or they now or hereafter lawfully may so do, hereby waives 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 Agreement may order the sale of the Collateral as an entirety or in lots.

Section 11.7. Disclosures. The Bank may disclose to, and exchange and discuss with, any other Person (the Bank and each such other Person being hereby irrevocably authorized to do so) any information concerning the Borrower (whether received by the Bank or such Person in connection with or pursuant to this Agreement or otherwise) for the purpose of protecting, preserving, exercising or enforcing any rights hereunder or under any of the other Loan Documents, or consulting with respect to any such rights or any rights of the Borrower, and the Bank may disclose to any Person any such information as may be required by Applicable Law or in accordance with the Bank's normal procedures.

Section 11.8. Cumulative Rights. Each right, power and remedy herein specifically granted to the Bank or otherwise

available to it shall be cumulative, and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or otherwise. Each right, power and remedy, whether specifically granted herein or otherwise existing, may be exercised, at any time and from time to time, as often and in such order as may be deemed expedient by the Bank in its sole and complete discretion. The exercise or commencement of exercise of any right, power or remedy shall not be construed as a waiver of the right to exercise, at the same time or thereafter, the same or any other right, power or remedy. No delay or omission by the Bank in exercising any such right or power, or in pursuing any such remedy, shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Borrower or an acquiescence therein. No waiver by the Bank of any breach or default of or by the Borrower under this Agreement shall be deemed to be a waiver of any other or similar, previous or subsequent breach or default.

ARTICLE XII

RETURN OF EQUIPMENT UPON DEFAULT

Section 12.1. Borrower's Duty to Return. If, following the occurrence of an Event of Default, the Bank requests the Borrower to assemble and return all Hopper Cars to it, the Borrower shall forthwith deliver, or cause to be delivered, possession of the Hopper Cars to the Bank. For the purpose of delivering possession of the Hopper Cars to the Bank as above required, the Borrower shall at its own cost, expense and risk:

(a) Forthwith deliver the Hopper Cars to not more than two (2) storage locations as the Bank shall reasonably require;

(b) Permit the Bank to store the Hopper Cars for one-hundred eighty (180) days after all of the Hopper Cars have been identified and so stored at such locations without charge for insurance, rent or storage, and during such period of storage the Borrower shall continue to maintain all insurance required by Section 5.1 and shall otherwise satisfy its obligations pursuant to Article IV; and

(c) Transport the Hopper Cars to any railroad interchange point on the lines of a railroad operated by the Borrower or any of its affiliates or such other interchange points as the Bank and the Borrower may agree.

Section 12.2. Specific Performance. The assembling, delivery, storage and transporting of the Hopper Cars as hereinbefore provided are of the essence of this Agreement, and

upon application to any court of equity having jurisdiction in the premises, the Bank shall be entitled to a decree against the Borrower requiring specific performance of the covenants of the Borrower so to assemble, deliver, store and transport the Hopper Cars.

Section 12.3. Bank Appointed Borrower's Agent. Without in any way limiting the obligation of the Borrower under the foregoing provisions of this Article, the Borrower hereby irrevocably appoints the Bank as the agent and attorney of the Borrower, with full power and authority (which power is coupled with an interest), at any time while the Borrower is obligated to deliver possession of any Hopper Car to the Bank, to demand and take possession of such Hopper Car in the name and on behalf of the Borrower from whosoever shall be at the time in possession of such Hopper Car.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Indemnity for Misrepresentations or Breaches of Covenants. The Borrower covenants and agrees with the Bank that in any suit, proceeding or action brought or taken by the Bank under this Agreement or any bill of sale relating to the Equipment Collateral, the Borrower will save, indemnify and keep the Bank harmless from and against all expense (including legal fees), loss or damage suffered by the Bank as a result of any misrepresentation or any breach by the Borrower of any of its obligations hereunder.

Section 13.2. Regulatory Changes.

(a) If any Regulatory Change:

(1) shall subject the Bank to any Tax (other than a Tax on the overall net income or profits of the Bank), duty or other charge determined by the Bank to be applicable to the Term Loan, to its obligation to make or maintain the Loan, or to this Agreement or any of the other Loan Documents, or shall, in the determination of the Bank, change the basis of taxation of payments to the Bank of the principal of, premium, if any, or interest on the Term Loan or its obligation to maintain the Term Loan; or

(2) shall impose, increase, modify or deem applicable any reserve, special deposit, assessment, capital adequacy requirement or other requirement against assets of, deposits with or to the account of, credit extended by the Bank, or the Commitment, or shall impose on the Bank or on an relevant interbank market for Dollars, or the market for certificates of deposit, any condition; and the result of the foregoing, in the

determination of the Bank, is (x) to reduce the amount of any sum received or receivable by such Bank with respect to any amounts loaned hereunder or return to be earned by the Bank on any amounts loaned hereunder, (y) to impose a cost on the Bank that is attributable to the maintaining of the Term Loan, or (z) to require the Bank to make any payment on or calculated by reference to the gross amount of any amount received by it hereunder or under the Term Note, then, within fifteen (15) days after request by the Bank, the Borrower shall pay to the Bank such additional amount or amounts as the Bank determines will compensate the Bank for such reduction, increased cost or payment. The Bank will promptly notify the Borrower of any Regulatory Change of which it has knowledge which will entitle the Bank to compensation pursuant to this Section 13.2, but the failure to give such notice shall not affect the Bank's right to such compensation.

(b) In making the determinations contemplated by this Section 13.2, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate, but the Bank's selection thereof in accordance with this Section and the determinations made by the Bank on the basis thereof, shall be final, binding and conclusive upon the Borrower, except, in the case of such determinations, for manifest errors in computation or transmission. The Bank shall furnish to the Borrower upon request a certificate outlining in reasonable detail the computation of any amounts claimed by the Bank under this Section and the assumptions underlying such computations.

Section 13.3. Liability of the Bank. The Borrower hereby agrees that the Bank shall not be chargeable for any negligence, mistake, act or omission of any accountant, examiner, agency or attorney contracted for by the Bank in making examinations or investigations, or otherwise in perfecting, maintaining, protecting or realizing upon any security for the Obligations; provided, however, the Bank shall be liable for such negligence, mistake, act or omission if the Bank was grossly negligent in engaging such accountant, examiner, agency or attorney on its behalf and relating to the Borrower.

Section 13.4. Transactions Between the Borrower and the Bank. In respect to any advance under the Loan and all other matters under or in connection with any transaction contemplated hereby, the Borrower authorizes the Bank to accept, rely upon, act upon and comply with, any telephone, oral or written instructions, requests, confirmations and orders of any authorized employee or representative of the Borrower, until the Bank has been notified that such person is no longer authorized. The Borrower acknowledges that the transmission between the Borrower and the Bank of any such instructions, requests, confirmations and orders

involves the possibility of errors, omissions, mistakes and discrepancies and agrees to adopt internal measures and operational procedures to protect its interests. By reason thereof, the Borrower hereby assumes all risk of loss and responsibility for, releases and discharges the Bank from any and all responsibility or liability for, and agrees to indemnify, reimburse on demand and save the Bank harmless from, any and all claims, actions, damages, losses, liability and expenses by reason of, arising out of or in any way connected with or related to, (1) the Bank's acceptance, reliance and actions upon, compliance with or observation of, any such instructions, requests, confirmations or orders, and (2) any such errors, omissions, mistakes and discrepancies, except those caused by the Bank's gross negligence or willful misconduct.

Section 13.5. Notices. All notices and other communications under this Agreement and the other Loan Documents, including but not limited to, materials delivered pursuant to Article 9, shall (a) be in writing (which shall include communications by telecopy), (b) be (i) sent by certified mail, postage prepaid, return-receipt requested, (ii) by prepaid telecopier, or (iii) delivered by hand, and (c) be given at the following respective addresses and/or telecopier numbers:

(i) if to the Borrower, at:

C.K. INDUSTRIES, Inc.
P.O. Box 0087
DeLand, Florida 32721
Facsimile No.: (904) 738-7622
Attention: Mr. Claude Bigot

(ii) if to the Bank, at:

The First National Bank of Maryland
Transportation Division
25 S. Charles Street, 15th Floor
Baltimore, Maryland 21201
Facsimile No.: 301-244-4142
Attention: Paul M. Leand, Jr.

with a copy to:

Ober, Kaler, Grimes & Shriver
120 E. Baltimore Street
Baltimore, Maryland 21202-1643
Facsimile No.: 301-547-0699
Attention: Patrick K. Cameron, Esq.

or at such other address, or telecopier number as the Bank or the Borrower may hereafter specify for the purpose in a notice to the

other specifically captioned "Notice of Change of Address". Such notices and communications shall be effective or deemed delivered or furnished (i) if given by mail, on the third (3rd) Business Day after such communication is deposited in the U.S. mail, addressed as above provided, (ii) if given by telecopier, when such communication is transmitted to the appropriate number and the appropriate answer-back is received or receipt is otherwise acknowledged, and (iii) if given by hand delivery, when left at the address of the addressee addressed as above provided.

Section 13.6. Expenses. The Borrower will, on demand, :

(a) pay or reimburse the Bank for all out-of-pocket costs and expenses, including legal fees and disbursements and fees and disbursements of other experts, incurred by the Bank in connection with (i) the preparation, execution and delivery of this Agreement, the other Loan Documents, and any amendment, modification or waiver hereof or thereof hereunder, (ii) the protection, preservation, exercise or enforcement of any of its rights hereunder, under the other Loan Documents, or any other document issued pursuant thereto or in connection therewith, and (iii) the defense of any claim referred to in clause (b) (i) below; and

(b) pay, and indemnify and hold the Bank harmless from and against (i) any losses in connection with any claim in any way arising out of, related to or connected with, this Agreement, the Term Note, the other Loan Documents or the Soo Lease, including, without limitation, any losses suffered by reason of any defense, setoff, counterclaim or recoupment by the Lessee or its successors under the Soo Lease (except, in the case of any claim brought by the Borrower or the Lessee, to the extent such claim results in a final judgment in favor of the Borrower or the Lessee that the Bank had acted in bad faith) and (ii) all transfer, documentary stamp and similar taxes, and recording and filing fees, payable in respect of this Agreement and the other Loan Documents. The Borrower's obligations under this Section shall survive the repayment in full of the Obligations.

Section 13.7. Waivers; Amendments. Any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents 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 the Bank and, in the case of each amendment, is signed by the 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.

Section 13.8. Binding Agreement; Assignment. All the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement, and no such assignment or transfer of any such obligation shall relieve the Borrower thereof unless the Bank shall have consented to such release in a writing specifically referring to the obligation from which the Borrower is to be released.

Section 13.9. Severability of Provisions. Any provision of this Agreement or any of the other Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction. To the extent permitted by Applicable Law, the Borrower hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect.

Section 13.10. Number; Gender. Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the use of the masculine, feminine or neuter gender shall include all genders.

Section 13.11. Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof.

Section 13.12. Counterparts. This Agreement and each of the other Loan Documents may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

Section 13.13. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower herein and in the Loan Documents and in any other certificates, instruments or documents delivered pursuant hereto shall survive the making by the Bank of the Loan and the execution and delivery of the Note, and shall continue in full force and effect so long as any of the Obligations are outstanding and unpaid.

Section 13.14. Entire Agreement. This 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.

Section 13.15. Governing Law. This Agreement and the other Loan Documents shall be construed in accordance with and governed

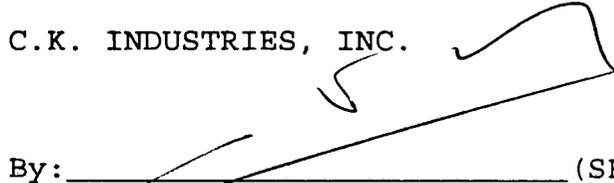
by the internal laws (as opposed to conflicts of law provisions) and decisions of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, under seal, as of the day and year first written above.

WITNESS
ATTEST:

C.K. INDUSTRIES, INC.

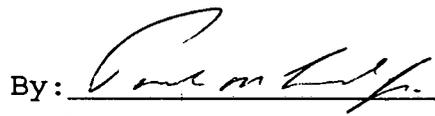


By:  _____ (SEAL)
Claude Bigot
President

WITNESS:

THE FIRST NATIONAL BANK
OF MARYLAND



By:  _____ (SEAL)
Paul W. Leand, Jr.
Transportation Representative

DISTRICT OF COLUMBIA, SS:

On this 27th day of December, 1991, before me personally appeared Claude Bigot, to me personally known, who being by me duly sworn, says that he is the President of C.K. Industries, Inc., a Florida corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Deborah S. Goodwin
Notary Public

(Notarial Seal)

My commission expires: **DEBORAH S. GOODWIN**
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires February 14, 1996

DISTRICT OF COLUMBIA, SS:

On this 27th day of December, 1991, before me personally appeared Paul M. Leland, Jr., to me personally known, who being by me duly sworn, says that he is a Transportation Representative 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.

Deborah S. Goodwin
Notary Public

(Notarial Seal)

My commission expires: **DEBORAH S. GOODWIN**
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires February 14, 1996

Schedule 1

List of Borrower's road numbers for the seventy-nine (79)
100-ton open top triple hopper cars (the "Hopper Cars"):

62339	62502
62395	62309
62362	62342
62398	62495
62379	62358
62509	62320
62501	62420
62403	62487
62418	62402
62300	62503
62393	62422
62323	62374
62493	62341
62352	62369
62365	62372
62519	62353
62518	62332
62328	62489
62454	62349
62350	62389
62390	62415
62331	62411
62386	62515
62510	62505
62354	62322
62307	62363
62355	62345
62399	62426
62329	62508
62424	62360
62377	62370
62324	62511
62334	62336
62333	62306
62512	62504
62406	62337
62367	62412
62496	62325
62380	62409
62488	

SCHEDULE 3.1(a)
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

C.K. INDUSTRIES, INC.
CERTIFICATE AS TO RESOLUTIONS, ETC.
AND CONSENT OF SHAREHOLDERS

I, Denise Bigot, Secretary of C.K. Industries, Inc., a Florida corporation (the "Borrower"), DO HEREBY CERTIFY, pursuant to Section 3.1(a) of the Loan Agreement, Chattel Mortgage and Security Agreement (the "Loan Agreement") dated as of December 27, 1991, between The First National Bank of Maryland (the "Bank") and the Borrower, that:

1. The persons named below have been duly elected (or appointed) and have duly qualified as, and on this day are, officers of the Borrower holding the offices set opposite their respective names, and the signatures below set opposite their respective names are their genuine signatures:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
Claude Bigot	President	_____
Denise Bigot	Secretary	_____

2. Attached hereto as Annex A is a true and complete copy of resolutions duly adopted by the Board of Directors of the Borrower on December __, 1991. Such resolutions have not been amended, modified or revoked and are in full force and effect on the date hereof.

3. The Loan Agreement, the Term Note (as defined in the Loan Agreement) and each other "Loan Document" (as defined in the Loan Agreement), in each case, where applicable, as executed and delivered on behalf of the Borrower, are in the forms thereof approved by the Board of Directors of the Borrower.

4. There has been no amendment to the Articles of Incorporation of the Borrower.

5. Attached hereto as Annex B is a true and complete copy of the Bylaws/Articles of Incorporation of the Borrower as in effect on the date of this Certificate.

IN WITNESS WHEREOF, I have signed this Certificate this 27th day of December, 1991.

Denise Bigot
Secretary

I, Claude Bigot, President of the Borrower, DO HEREBY CERTIFY that Denise Bigot, Secretary, has been duly elected or appointed and has duly qualified as, and on this day is, Secretary of the Borrower, and the signature in Paragraph 1 above is her genuine signature.

IN WITNESS WHEREOF, I have signed this Certificate this 27th day of December, 1991.

Claude Bigot
President

Annex A

Board Resolutions

"RESOLVED, that the form, terms and provisions of the Purchase Agreement For Railcars, a copy of which has been submitted to this meeting, providing for the purchase by this Corporation of the railcars identified in Schedule 1 annexed thereto be, and the same hereby is, in all respects approved and ratified; and

"RESOLVED, that the form, terms and provisions of the Loan Agreement, Chattel Mortgage and Security Agreement, the Term Note and all other related documents and instruments to be entered into by and between this Corporation and the Bank (collectively, the "Loan Documents"), copies of which have been submitted to this meeting, providing for the borrowing by this Corporation be, and the same hereby are, in all respects approved; and

"FURTHER RESOLVED, that the President, Vice-President or any other officer of this Corporation be, and each of them hereby is, authorized in the name and on behalf of this Corporation to borrow from the Bank, under the terms of the Loan Documents, up to One Million Dollars (\$1,000,000), and for this purpose, to execute and deliver in the name and on behalf of this Corporation the Loan Documents in substantially the forms submitted to this meeting, with such changes, additions and amendments thereto as shall be approved by the officer who executes the same, and such other agreements, documents and instruments, and to do all such other acts and things, as may be required to consummate the transactions contemplated thereby; and

"FURTHER RESOLVED, that the Secretary of this Corporation is authorized and directed to deliver and certify to the Bank a copy of these resolutions and that the same are in conformity with the charter and bylaws of this Corporation."

Annex B

Bylaws

Attached as part of closing transcript.

SCHEDULE 3.1(i)
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

The First National Bank of Maryland
Transportation Division
25 S. Charles Street
Baltimore, Maryland 21201

Re: \$1,000,000
 Term Loan
 to
 C.K. Industries, Inc.

Gentlemen:

As counsel for C.K. Industries, Inc., a Florida corporation (the "Borrower"), we are furnishing this opinion pursuant to Section 3.1(i) of that certain Loan Agreement, Chattel Mortgage and Security Agreement dated as of December 27, 1991 (the "Loan Agreement"), between The First National Bank of Maryland, as lender (the "Bank"), and the Borrower, as borrower.

All terms used herein which are defined in the Loan Agreement shall have the meanings given them therein, unless the terms are specifically defined herein.

We have reviewed originals or copies, certified or otherwise identified to our satisfaction, of the Loan Agreement, the Term Note, and the other Loan Documents. We have examined the Articles of Incorporation and Bylaws of the Borrower and such additional documents, and we have obtained such other certificates, affidavits and advices from officers of the Borrower or from public officials as we have deemed necessary or appropriate for the purposes of this opinion.

On the basis of the foregoing and on the basis of our consideration of such facts and laws as we have deemed necessary in the premises, we are of the opinion that:

a. The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of Florida and is duly authorized to transact business as a foreign corporation in good standing wherever necessary to carry on its present business and operations and to own or lease its properties and to perform its obligations under the Loan Documents.

b. The Borrower has the full power and authority to own or hold under lease its properties and to enter into and perform its obligations under the Loan Documents; and the borrowing under the

Loan Documents by the Borrower from the Bank, the execution, delivery and performance of the Loan Documents, and all other related instruments and documents: (1) have been duly authorized by all necessary action on the part of the Borrower; (2) do not require the approval of any stockholder or approval or consent of any trustee or holders of any indebtedness or obligations of the Borrower except such as have been duly obtained; and (3) do not and will not contravene any Applicable Law now binding on the Borrower, or the Articles of Incorporation or Bylaws of the Borrower, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien (other than as contemplated in the Loan Documents) upon the property of the Borrower under any indenture, mortgage, contract or other agreement to which the Borrower is a party or by which it or its property is bound.

c. Neither the execution and delivery by the Borrower of the Loan Documents and all other related instruments and documents, nor the consummation by the Borrower of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any governmental authority or agency except for the filing of the Loan Agreement with the ICC pursuant to 49 U.S.C. §11303, and the filing of Uniform Commercial Code financing statements with the Secretary of State of Florida and the Clerk of the Circuit Court for Volusia County, Florida.

d. The Loan Documents and all other related instruments and documents constitute the legal, valid and binding agreements of the Borrower, enforceable against the Borrower in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar law or equitable principles relating to or affecting the enforcement of creditors' rights generally.

e. The Borrower is the sole, true and lawful owner of the Hopper Cars, free and clear of all Liens.

f. All fees, taxes and other charges, required to be paid by the Borrower in connection with the Borrower's acquisition of the Hopper Cars have been paid.

g. Upon filing and recording of the Loan Agreement with the ICC, and the filing of the Uniform Commercial Code financing statements with the Secretary of State of Florida and the Clerk of the Circuit Court for Volusia County, Florida, the Bank will have duly perfected, continuing first priority security interest in the (1) Hopper Cars, (2) all right, title, interest, claims and demands of the Borrower under the Soo Lease and all payments due and to become due by the Lessee thereunder; (3) all rights, claims, causes of action, if any, which the Borrower may have against any manufacturer or seller or any lessee of the Borrower or the Hopper Cars or the other property described in the Loan Agreement; and (4)

all proceeds of the foregoing (including insurance and requisition proceeds).

h. To the best of our knowledge after due inquiry and investigation, there are no pending or threatened actions or proceedings to which the Borrower is a party, and there are no other pending or threatened actions or proceedings of which the Borrower has knowledge, before any court, tribunal, arbitrator or administrative agency that might materially adversely affect the financial condition of the Borrower, or the ability of the Borrower to perform its obligations under the Loan Documents or any of the other instruments and documents executed in connection therewith.

Sincerely yours,

SCHEDULE 6.2
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

REQUIRED CONSENTS AND GOVERNMENTAL APPROVALS

The following is a complete and correct list of (a) all consents or approvals of the stockholders of the Borrower and (b) Governmental Approvals required for the execution, delivery and performance of the Loan Agreement, Chattel Mortgage and Security Agreement, the Term Note, the other Loan Documents, and the Soo Lease:

None.

There are attached true and correct copies (certified in the case of Government Approvals) of each such consent or approval.

SCHEDULE 6.3
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

LITIGATION

None.

SCHEDULE 9.1
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

C.K. INDUSTRIES, INC.
CERTIFICATE AS TO
FINANCIAL STATEMENTS

I, Claude Bigot, President of C.K. Industries, Inc. (the "Borrower"), hereby certify pursuant to Section 5.01 of the Loan Agreement, Chattel Mortgage and Security Agreement dated as of December 27, 1991, between the Borrower and The First National Bank of Maryland (the "Bank") that:

1. The accompanying unaudited financial statements of the Borrower as at October 31, 1991 and for the ten months ending October 31, 1991, are complete and correct and present accurately, in accordance with Generally Accepted Accounting Principles (except for changes described below), the financial position of the Borrower as at the end of such period, and the results of operations and the changes in the financial position for such period, and for the elapsed portion of the fiscal year ended with the last day of such period, in each case on the basis presented and subject only to normal year-end auditing adjustments.

2. The changes from Generally Accepted Accounting Principles are as follows:

President

Dated: December __, 1991.

EXHIBIT A
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

FORM OF TERM NOTE

\$1,000,000.00

Baltimore, Maryland
December 27, 1991

FOR VALUE RECEIVED, C.K. INDUSTRIES, INC., a Florida corporation (the "Borrower"), hereby promises to pay to the order of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association (who, together with its successors and assigns is hereinafter referred to as, the "Bank"), in lawful money of the United States of America and in immediately available funds, the principal sum of ONE MILLION and 00/100 DOLLARS (\$1,000,000.00) (hereinafter the "Principal Sum") on or before April 1, 1998, together with interest on the Principal Sum outstanding from time to time at the rate of 9.25% per annum, as hereinafter set forth (computed on a 360-day year for the actual number of days elapsed).

Principal and interest shall be payable as follows:

(a) Seventy-five (75) consecutive monthly installments of principal and interest, each in the amount of \$17,606.74.

(b) The balance of any unpaid Principal Sum, together with all accrued but unpaid interest and all other sums then due under the Loan Documents (as defined in the Loan Agreement) shall be due and payable in full on April 1, 1998.

(c) If any payment is not made when due, the amount of such overdue payment shall bear interest at the rate of 11.25%, until such overdue amount is paid in full.

The Borrower shall have the right to prepay the Promissory Note in whole on any principal installment due date after giving thirty (30) days' prior written notice to the Bank of the Borrower's intention to make such prepayment, by paying, in addition to such prepayment, all accrued but unpaid interest and all other sums due under the Term Note, together with a Prepayment Premium. The "Prepayment Premium" shall be calculated as the following specified percentage of the then outstanding principal balance due hereunder:

<u>Prepayment Date by Months</u>	<u>Percentage</u>
1-12	3%
23-48	2%
49-72	1%
73-75	0%

This Note is also subject to certain mandatory prepayments as set forth in Section 2.4 of the Loan Agreement.

All payments of principal, premium, if any, and interest due hereinafter shall be made by wire transfer in accordance with the wire transfer instructions provided by the Bank to the Borrower and such payments shall be effective only upon receipt. All payments shall be made in U.S. Dollars, which shall be the exclusive currency for the payment of the obligations hereunder, free of any restrictions or deductions whatsoever for present or future taxes, charges, assessments, withholdings or costs, the payment of which shall be the responsibility of the Borrower.

Without prejudice to any right of the Bank to collect and receive any payments due by the Borrower hereunder, the Bank may debit the Collateral Account maintained by the Borrower with the Bank for any sums not paid when due.

All payments received hereunder shall be applied in accordance with the provisions of Section 2.8 of the Loan Agreement, unless otherwise agreed to by the Bank.

This Note is the Term Note referred to in the Loan Agreement and is secured by a grant of security made by the Borrower to the Bank pursuant to the Loan Agreement. Reference is hereby made to the Loan Agreement for the description of the property assigned, the nature and extent of the security and the rights of the Bank in respect of such security.

The Borrower promises to pay to the Bank, on demand by the Bank, all costs and expenses incurred by the Bank in connection with the collection and enforcement of this Term Note including, without limitation, all attorneys' fees and expenses and all court costs, whether or not proceedings are brought.

THIS TERM NOTE, HAVING BEEN EXECUTED BY THE BORROWER AND DELIVERED TO THE BANK IN THE STATE OF MARYLAND, IS TO BE GOVERNED BY, CONSTRUED UNDER AND ENFORCED IN ALL RESPECTS ACCORDING TO, THE LAWS OF THE STATE OF MARYLAND, WITHOUT REFERENCE TO CONFLICT OF LAWS RULES. THIS TERM NOTE SHALL BE BINDING UPON THE BORROWER, ITS SUCCESSORS AND PERMITTED ASSIGNS AND SHALL INURE TO THE BENEFIT OF THE BANK.

In the event of the declaration by the Bank of an Event of Default (as defined therein) under the Loan Agreement, then this Term Note shall be in default and the balance of the Principal Sum then due hereunder, together with all accrued but unpaid interest thereon and premium, if any, shall become immediately due and payable without further notice, such further notice being expressly waived.

The rights and remedies of the holder of this Term Note, as provided herein, shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of the holder, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

No failure or delay by the Bank to insist upon the strict performance of any term, condition, covenant or agreement of this Term Note or any of the other Loan Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement, or of any such breach, or preclude the Bank from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any amount payable under the terms of this Term Note, the Bank shall not be deemed to have waived the right either to require prompt payment when due of all other amounts payable under the terms of this Term Note or to declare an Event of Default for the failure to effect such prompt payment of any such other amount. No course of dealing or conduct shall be effective to amend, modify, waive, release or change any provision of this Term Note.

In the event that any one or more of the provisions (or any part of any provision) of this Term Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, or in the event that any one or more of the provisions of this Term Note operates or would prospectively operate to invalidate this Term Note, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provisions (or remaining part of the affected provision) of this Term Note and the remaining provisions (or remaining part of the affected provision) of this Term Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby.

The Borrower hereby waives presentment, protest and demand, notice of protest, notice of demand and of dishonor and non-payment of this Term Note, and expressly agrees that this Term Note or any payment hereunder may be extended from time to time without in any way affecting the liability of the Borrower. The Borrower hereby waives and releases, to the extent permitted by law, all errors and all right of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property, and

all other rights to which the Borrower may otherwise be entitled under any applicable laws.

The Borrower hereby irrevocably submits to the jurisdiction of any state or federal court sitting in the State of Maryland over any suit, action or proceeding arising out of or relating to this Term Note or any of the other Loan Documents. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon the Borrower and may be enforced in any court in which the Borrower is subject to jurisdiction by a suit upon such judgment provided that service of process is effected upon the Borrower as provided in this Term Note or as otherwise permitted by applicable law.

The Borrower hereby irrevocably designates and appoints The Corporation Trust Incorporated, a Maryland corporation, as its duly authorized agent to accept and acknowledge on the Borrower's behalf service of any and all process that may be served in any suit, action or proceeding instituted in connection with this Term Note or any of the other Loan Documents in any state or federal court sitting in the State of Maryland. If such agent shall cease so to act, the Borrower shall irrevocably designate and appoint without delay another such agent in the State of Maryland satisfactory to the Bank and shall promptly deliver to the Bank evidence in writing of such agent's acceptance of such appointment and its agreement that such appointment shall be irrevocable. The Borrower hereby consents to process being served in any suit, action or proceeding instituted in connection with this Term Note or any of the other Loan Documents by the mailing of a copy thereof by certified mail, postage prepaid, return-receipt requested, to the Borrower and serving a copy thereof upon the agent hereinabove designated and appointed as the Borrower's agent for service of process. The Borrower irrevocably agrees that such service shall be deemed to be service of process upon the Borrower in any such suit, action or proceeding. Nothing in this paragraph shall affect the right of the Bank to serve process in any manner otherwise permitted by law, and nothing in this Section will limit the right of the Bank otherwise to bring proceedings against the Borrower in the courts of any jurisdiction or jurisdictions.

Following the occurrence of an Event of Default under the Loan Agreement and acceleration by the Bank of all sums due hereunder, the Borrower hereby authorizes and empowers the clerk of court or any attorney of any court of record within the United States to appear for the Borrower in any court of record within the United States or before any clerk or other officer thereof in one or more proceedings and to confess judgment or judgments against the Borrower without notice or an opportunity for a prior hearing, in

favor of the Bank for an amount equal to the unpaid principal balance of this Term Note (whether then due or not) plus accrued and unpaid interest plus all other amounts due hereunder or under any of the other Loan Documents, together with costs of suit and an attorney's fee of fifteen percent (15%) of the amount then due. The authority and power to confess judgment conferred hereby shall not be exhausted by one or more exercises thereof, or by an imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Bank shall deem necessary or desirable for all of which this Term Note shall be a sufficient warrant.

THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE BORROWER AND THE BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS TERM NOTE OR ANY OF THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS TERM NOTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY THE BORROWER, AND THE BORROWER REPRESENTS THAT NO REPRESENTATION OF FACT OR OPINION HAS BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THE BORROWER FURTHER REPRESENTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS TERM NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH SUCH COUNSEL.

IN WITNESS WHEREOF, the Borrower has caused this Term Note to be duly executed, under seal, effective as of the day and year first above written.

ATTEST:

C.K. INDUSTRIES, INC.

By: _____ (SEAL)
Claude Bigot
President

Payment Grid

Date of Payment

Payment Amount

EXHIBIT B
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

SOO LEASE

Attached as part of closing transcript.

EXHIBIT C
to
Loan Agreement, Chattel Mortgage
and Security Agreement
dated as of December 27, 1991

FORM OF ACKNOWLEDGMENT OF
NOTICE AND ASSIGNMENT

December 27, 1991

TO: The First National Bank of Maryland
Transportation Division
25 South Charles Street
15th Floor
Baltimore, Maryland 21201

Reference is made to the Lease of Railroad Equipment dated as of February 28, 1986, as amended (the "Lease"), between C.K. Industries, Inc., a Florida corporation ("Lessor"), as assignee of McDonnell Douglas Finance Corporation, and Soo Line Railroad Company, a _____ corporation ("Lessee"), relating to the lease of seventy-nine (79) 100-ton open top triple hopper cars described in Exhibit A thereto, (collectively, the "Hopper Cars"). Words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Lease.

Lessee has been notified by Lessor that Lessor has assigned, transferred and granted to The First National Bank of Maryland, a national banking association (the "Bank"), as collateral security for its obligations to the Bank as set forth in that certain Loan Agreement, Chattel Mortgage and Security Agreement dated as of December 27, 1991 (the "Loan Agreement"), between the Bank and Lessor, a continuing, first priority security interest in, and chattel mortgage lien on, the Lease, all rent and other sums payable from time to time thereunder, the Hopper Cars and all insurances relating thereto.

Lessee, intending to be legally bound hereby and for good and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby:

A. Acknowledge and consent to the assignment by Lessor to the Bank, for collateral security purposes only, all of Lessor's right, title, interest in, to and under the Lease, the Hopper Cars and all insurances relating thereto, including, without limitation:

(i) the immediate and continuing right to receive and collect all rent, casualty value payments, insurance proceeds and

other payments, tenders and security now or hereafter payable to or receivable by Lessor, as lessor, under the Lease;

(ii) the right, following an Event of Default under the Loan Agreement, to make all waivers and amendments and to enter into any agreements relating to the Lease or any provisions thereof; and

(iii) the right to take such action upon the occurrence of a default or an event of default under the Lease as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which Lessor is or may be entitled to do under the Lease.

B. Acknowledge and agree that, notwithstanding said assignment, the Bank has not assumed and does not assume the responsibility to discharge or perform any liability, duty or obligation of Lessor to be performed under the Lease and Lessee agrees that it shall look solely to Lessor for the discharge, performance or satisfaction of any such liability, duty or obligation.

C. Represent and warrant that the Lease and this Acknowledgment of Notice and Assignment have been duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding agreements of Lessee, enforceable against Lessee in accordance with their terms.

D. Represent and warrant that no event of default, or event which with the lapse of time or giving of notice, or both, would constitute an event of default under the Lease has occurred and is continuing.

E. Represent and warrant that it has not prepaid any of the rent due Lessor under the Lease and that no offset or deduction exists with respect to Lessee's obligation to pay rent, casualty value or any other sums payable by the Lessee to Lessor under and pursuant to the terms of the Lease; and does hereby further represent and warrant that notwithstanding the provisions of Section III of Schedule No. 1 to the Lease, all rent due under the Lease is payable, in arrears, on the last day of each month during the term of the Lease.

F. Agree to provide to the Bank evidence that the Hopper Cars are adequately insured against loss or damage, in amounts and with insurers acceptable to the Bank and will name the Bank as a loss payee, as its interest may appear, on all such insurance policies.

G. Agree, effective immediately, to wire transfer all rent and other payments to be made by it to Lessor under the Lease directly to the Bank at the following address, or such other address as the Bank shall notify to Lessee in writing:

The First National Bank of Maryland
25 South Charles Street
15th Floor
Baltimore, Maryland 21201
Attention: Transportation Division
Account No. _____

H. Represent and warrant that the document attached hereto as Exhibit A is the true, correct and complete chattel paper copy of the Lease, that such document is in full force and effect and since the date of its execution and delivery has not been amended or modified in any respect, that the Lease sets forth the entire agreement between Lessor and Lessee with respect to the subject matter thereof.

The Bank agrees to make the original, executed copy of the Lease, if such document is in the Bank's possession, available to Lessee in any proceeding in which such copy is reasonably necessary to permit Lessee to enforce the Lease.

This Acknowledgment of Notice and Assignment, when accepted by the Bank by signing the acceptance hereof, shall be deemed to be a contract under the laws of the State of Maryland and for all purposes, shall be construed in accordance with the internal laws (as opposed to conflicts of law provisions) and decisions of such state.

ATTEST:

SOO LINE RAILROAD COMPANY

_____ By: _____ (SEAL)

ACCEPTED AND AGREED TO:

THE FIRST NATIONAL BANK
OF MARYLAND

By: _____