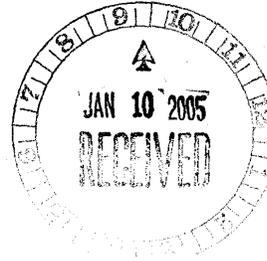


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OF COUNSEL  
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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

January 7, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

RECORDATION NO. 11428-5 FILED

JAN 10 '05 10-22 AM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Security Agreement, dated as of December 30, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease previously filed with the Commission under Recordation Number 11428.

The name and address of the party to the enclosed document are:

Debtor:	Southern Rail Associates, Inc. 523 Turtle Hatch Lane Naples, Florida 34103
Secured Party:	National City Leasing Corporation 101 South Fifth Street Louisville, Kentucky 40202

Mr. Vernon A. Williams  
January 7, 2005  
Page 2

A description of the railroad equipment covered by the enclosed document  
is:

87 tank cars within the series DCXL 1125 – DCXL 1214.

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

Security Agreement.

Also enclosed is a check in the amount of \$32.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the  
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

RECORDATION NO.

11428-6  
FILED

JAN 10 '05 10-22 AM

**SECURITY AGREEMENT**

**SURFACE TRANSPORTATION BOARD**

In consideration of the covenants and agreements contained herein, and financial accommodations secured hereby, the undersigned Debtor hereby grants to National City Leasing Corporation, a Kentucky corporation ("NCLC"), as secured party, a security interest in all of the Collateral described in the Collateral Description below. The security interest created by this Agreement attaches immediately upon execution hereof, or as soon as Debtor acquires rights to the Collateral, and secures payment of any and all of (a) Debtor's obligations to NCLC under that certain Promissory Note of even date herewith in the original principal amount of \$636,710.48; (b) amounts due NCLC for its performance of Debtor's obligations under this Agreement; and (c) amounts due NCLC in its enforcement of its rights and remedies under this Agreement (collectively, the "Indebtedness").

**DEBTOR**

Southern Rail Associates, Inc.  
523 Turtle Hatch Lane  
Naples, FL 34103

**SECURED PARTY-National City Leasing Corporation**

Mailing Address: 101 South Fifth Street  
Louisville, KY 40202  
Attention: Equipment Manager, Locater NO. 31-T08K

**COLLATERAL DESCRIPTION:**

Rights of Debtor under that certain Lease between the U.S. Bank National Association, as successor in interest to The Connecticut Bank and Trust Company, not individually but solely in its capacity as trustee of the Trust and The Dow Chemical Company, dated as of January 2, 1980, filed under STB Recordation No. 11428, as amended by Renewal No. 1, (the "Lease") which has been assigned to Debtor.

**I. WARRANTIES AND REPRESENTATIONS.** Debtor warrants and represents:

1. **Debtor's Authority.** Debtor has authority to enter into this Agreement.
2. **Information.** Any and all information now or hereafter supplied to NCLC by Debtor or at Debtor's request or instruction is complete, true and correct.

**II. COVENANTS AND AGREEMENTS.** Debtor covenants and agrees that, prior to satisfaction of the Indebtedness,:

1. **Modification and Allowance of Lease.** Debtor shall not modify any of the terms, conditions or covenants of the Lease.
2. **Notice of Changes in Information, Name, Structure or Litigation.** Debtor shall immediately notify NCLC of (a) any change in Debtor's chief executive office, mailing address, name, identity or corporate structure; and (b) any litigation pending or threatened affecting the Collateral.
3. **Sale, Lease or Disposition.** Debtor shall not, without NCLC's prior written consent, sell, encumber or otherwise dispose of or transfer any Collateral or interest therein, or permit any such disposition or transfer, until all of the Indebtedness has been completely discharged; provided, however, if an Event of Default has not occurred, Debtor may sell or lease Collateral consisting of Inventory in the ordinary course of Debtor's business.
4. **Defense of Title.** Debtor shall (a) appear in and defend any actions or proceedings purporting to affect NCLC's security interest in or Debtor's or NCLC's rights, powers or title to any Collateral; (b) take such actions which NCLC deems necessary to keep the Collateral free and clear from all liens, encumbrances, claims, rights, counterclaims or defenses of others; and (c) pay such costs, expenses and attorneys' fees related to such actions.
5. **Insurance.** Debtor shall insure the Collateral in the same manner in which it carries insurance on other similar assets owned by Debtor.
6. **Damage or Destruction to Collateral.** Debtor shall promptly notify NCLC in the event any Collateral is damaged, destroyed or lost, stating the cause, nature and extent of the damage, destruction or loss.
7. **Taxes, Assessments, Charges, Liens.** Debtor shall pay and discharge when due all taxes, assessments, charges, liens and encumbrances now or hereafter affecting the Collateral.
8. **Additional Documents.** Debtor shall execute, acknowledge and deliver to NCLC any additional documents, assignments or agreements that NCLC, from time to time, deems necessary or advisable respecting the Collateral.
9. **General Business Operation.** Debtor shall keep accurate and complete records regarding the Collateral.
10. **Reimbursement.** Debtor shall reimburse and pay NCLC, upon demand, for its actually out-of-pocket costs and attorneys' fees in the enforcement or exercise of any of NCLC's rights, powers or remedies or performance of any of Debtor's obligations under this Agreement following an Event of Default.
11. **Debtor's Waivers.** Debtor waives any rights to require NCLC to proceed against any other person, to exhaust the Collateral or any other property securing the Indebtedness or to pursue any other remedies available to NCLC.
12. **Purchase Money.** If proceeds of any loan from NCLC to Debtor are to enable Debtor to acquire rights in or the use of Collateral, Debtor shall use the loan proceeds for such purpose.

**III. EVENTS OF DEFAULT.** Debtor agrees that the occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

1. Debtor's failure to pay when due any principal, interest or other amount due under any of the Indebtedness.

2. Debtor's failure to perform or observe any of the terms, provisions, covenants, agreements or obligations contained in this Agreement.

3. Any Warranty or Representation made in this Agreement is materially false or misleading.

**IV. REMEDIES.** Upon the occurrence of an Event of Default, in addition to any other rights or remedies provided or allowed by law, Debtor understands and agrees that NCLC may, at its sole option, and without notice to Debtor, take one or more of the following actions:

1. **Acceleration of Maturity.** Declare all of Debtor's Indebtedness immediately due and payable.

2. **Performance of Debtor's Obligations by NCLC.** Perform any of Debtor's obligations under this Agreement.

3. **Article 9 Remedies.** Exercise any remedies with respect to the Collateral available to a secured party under Article 9 of the Code.

4. **Suit, Retention or Disposition of Collateral.** Sue the Debtor or any other person or entity liable for the Indebtedness to recover any deficiency.

**V. RULES TO CONSTRUE AGREEMENT.** Debtor understands and agrees that:

1. **Definitions.** The term "Code" means the Uniform Commercial Code of California, as currently in effect and as amended and replaced from time to time, except where the Uniform Commercial Code of another state governs the perfection of a security interest in the Collateral. All terms used to describe the Collateral which are defined in the Code, shall have the respective meanings as such terms are so defined.

2. **Time of Essence.** Time is of the essence of this Agreement.

3. **Waiver.** NCLC's acceptance of partial or delinquent payments or failure of NCLC to exercise any right or remedy shall not be deemed a waiver of any obligation of Debtor or right of NCLC nor constitute a modification of this Agreement, nor constitute a waiver of any other similar default subsequently occurring.

4. **Complete Agreement.** This Agreement, together with any exhibits, is intended by NCLC and Debtor as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement.

5. **Assignments, etc.** The provisions of this Agreement are hereby made applicable to and shall inure to the benefit of NCLC's successors and assigns and bind Debtor's heirs, legatees, devisees, administrators, executors, successors and assigns.

6. **Law Governing.** This Agreement shall be construed and governed by the laws of the State of California, except to the extent the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California.

7. **Notice.** All notices to be provided under this Agreement shall be in writing and delivered, if to Debtor, at the address of its Chief Executive Office stated in this Agreement, and if to NCLC, at its address stated in this Agreement, or such other address as one party shall give notice of to the other party as provided herein.

8. **Severability.** If any provision of this Agreement shall be held to be prohibited or unenforceable under applicable law, such provision shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remainder of such provisions or any remaining provisions of this Agreement.

9. **Headings.** Section and subsection headings in this Agreement are included for convenience of reference only and shall not be a part of this Agreement for any purpose or be given any substantive effect.

10. **Amendment or Modification.** No provision or term of this Agreement may be modified, amended or waived without the prior written consent of NCLC.

Dated: December 30, 2004

**DEBTORS:**

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Debtor by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Transferor. I further declare under penalty of perjury that the foregoing is true and correct.

**Southern Rail Association, Inc.**

By: Walter Ballard  
(Signature and Title) **WALTER BALLARD**  
**PRESIDENT**

By: \_\_\_\_\_  
(Signature and Title)