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**SURFACE TRANSPORTATION BOARD**

200800205033

Nov 08 2008 02:30PM

WV SECRETARY OF STATE

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**MIKE STUART (304) 353-8107**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**STEPTOE & JOHNSON PLLC  
 ATTN: MIKE STUART, ESQ.  
 POST OFFICE BOX 1588  
 CHARLESTON, WV 25326-1588**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME <b>Rail Connection, Inc.</b>						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>134 Silver St.</b>			CITY <b>Poca</b>	STATE <b>WV</b>	POSTAL CODE <b>25159-9702</b>	COUNTRY <b>US</b>
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>corporation</b>	1f. JURISDICTION OF ORGANIZATION <b>West Virginia</b>	1g. ORGANIZATIONAL ID #, if any <b>35-2163995</b>		<input type="checkbox"/> NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any		<input type="checkbox"/> NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME <b>The Huntington National Bank</b>						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>P.O. Box 633</b>			CITY <b>Charleston</b>	STATE <b>WV</b>	POSTAL CODE <b>25322-0633</b>	COUNTRY <b>US</b>

**4. This FINANCING STATEMENT covers the following collateral:**

For collateral description see Schedule A attached hereto and made a part hereof.

**5. ALTERNATIVE DESIGNATION (if applicable)**  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]  All Debtors  Debtor 1  Debtor 2

**8. OPTIONAL FILER REFERENCE DATA**

Filed with WV-STATE Doc. # 4900664.1

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9 NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME Rail Connection, Inc.			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10 MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11 ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME -- insert only org. name (11a or 11b) -- do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
11d. TAX ID #: SSN OR EIN	ADD'L. INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME -- insert only org. name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing

14. Description of real estate:

18. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest).

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction -- effective 30 years

Filed in connection with a Public-Finance Transaction -- effective

**SCHEDULE A TO UCC-1 FINANCING STATEMENT  
DESCRIPTION OF COLLATERAL**

<b>DEBTOR:</b> RAIL CONNECTION, INC. 134 Silver St. Poca, WV 25159-9702 TIN: 35-2163995	<b>SECURED PARTY:</b> THE HUNTINGTON NATIONAL BANK P. O. Box 633 Charleston, WV 25322-0633
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The property subject to this fixture filing consists of the Debtor's property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, those certain railcars more specifically identified on **Exhibit A** attached hereto, as such exhibit may be amended, supplemented or revised subsequent to the date hereof, all of the Borrower's accounts (including, but not limited to, accounts receivables) related to the railcars and otherwise, all depository accounts of the Borrower held by the Lender, all other deposit accounts, money, and cash, whether now owned or hereafter from time to time acquired by the Borrower, together with all substitutions, replacements, additions, attachments, accessories and accretions thereto.

In addition, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All attachments, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any such property.
- (b) All products and produce of any of such property.
- (c) All accounts, general intangibles, instruments, rents, monies, payments, chattel paper, supporting obligations and all other rights, arising out of a sale, lease, or other disposition of any of such property.
- (d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of such property.
- (e) All property of the Debtor which may be in the possession of the Secured Party at any time and from time to time.

**EXHIBIT A**

Ninety-four (94) steel rapid discharge coal railcars bearing reporting marks:

JTSX 300106	JTSX 300360	JTSX 300384	JTSX 300408
JTSX 300107	JTSX 300361	JTSX 300385	JTSX 300409
JTSX 300108	JTSX 300362	JTSX 300386	JTSX 300410
JTSX 300109	JTSX 300363	JTSX 300387	JTSX 300411
JTSX 300110	JTSX 300364	JTSX 300388	JTSX 300413
JTSX 300111	JTSX 300365	JTSX 300389	JTSX 300414
JTSX 300112	JTSX 300366	JTSX 300390	JTSX 300415
JTSX 300113	JTSX 300367	JTSX 300391	JTSX 300416
JTSX 300114	JTSX 300368	JTSX 300392	JTSX 300417
JTSX 300337	JTSX 300369	JTSX 300393	JTSX 300418
JTSX 300339	JTSX 300370	JTSX 300395	JTSX 300419
JTSX 300341	JTSX 300371	JTSX 300396	JTSX 300420
JTSX 300342	JTSX 300372	JTSX 300397	JTSX 300421
JTSX 300343	JTSX 300373	JTSX 300398	JTSX 300422
JTSX 300345	JTSX 300374	JTSX 300399	JTSX 300423
JTSX 300346	JTSX 300375	JTSX 300400	JTSX 300424
JTSX 300347	JTSX 300376	JTSX 300401	JTSX 300425
JTSX 300348	JTSX 300377	JTSX 300402	JTSX 300426
JTSX 300351	JTSX 300378	JTSX 300403	JTSX 300427
JTSX 300352	JTSX 300379	JTSX 300404	JTSX 300428
JTSX 300355	JTSX 300380	JTSX 300405	JTSX 300429
JTSX 300356	JTSX 300381	JTSX 300406	JTSX 300430
JTSX 300358	JTSX 300382	JTSX 300407	JTSX 300431
JTSX 300359	JTSX 300383		

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SURFACE TRANSPORTATION BOARD

**COMMERCIAL SECURITY AGREEMENT**

**THIS COMMERCIAL SECURITY AGREEMENT** is entered into as of the 7th day of May 2008, between **RAIL CONNECTION, INC.**, a West Virginia corporation, whose address is 134 Silver St., Poca, West Virginia 25159-9702 (referred to herein as "Debtor"); and **THE HUNTINGTON NATIONAL BANK**, a national banking association, whose address is Post Office Box 633, Charleston, West Virginia 25322-0633 (referred to herein as "Secured Party"). For valuable consideration, Debtor grants to Secured Party a security interest in the Collateral to secure the Secured Debt and agree that Secured Party shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Secured Party may have by law. Capitalized terms not otherwise defined when first used will have the meaning set forth in that certain Line of Credit Agreement of even date herewith by and between the Debtor and the Secured Party.

1. **DEFINITIONS.** The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code as enacted in West Virginia, or as provided in the Line of Credit Agreement of even date hereof. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Agreement.** The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

**Collateral.** The word "Collateral" means the following described property of Debtor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and

wherever located, and means all of the collateral security for the Loan, including, but not limited to, those certain railcars more specifically identified on Exhibit A attached hereto, as such exhibit may be amended, supplemented or revised subsequent to the date hereof, all of the Borrower's accounts (including, but not limited to, accounts receivables) related to the railcars and otherwise, all depository accounts of the Borrower held by the Lender, all other deposit accounts, money, and cash, whether now owned or hereafter from time to time acquired by the Borrower, together with all substitutions, replacements, additions, attachments, accessories and accretions thereto (collectively, the "Collateral").

In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All attachments, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any such property.
- (b) All products and produce of any of such property.
- (c) All accounts, general intangibles, instruments, rents, monies, payments, chattel paper, supporting obligations and all other rights, arising out of a sale, lease, or other disposition of any of such property.
- (d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of such property.
- (e) All property of the Debtor which may be in the possession of the Secured Party at any time and from time to time.

**Event of Default.** The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

**Debtor.** The word "Debtor" means Rail Connection, Inc., its successors and assigns.

**Guarantor.** The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Secured Debt.

**Note.** The word "Note" means that certain Secured Promissory Note of even date herewith in the maximum principal amount of One Million Twelve Thousand Eight Hundred and Fifty and 00/00 Dollars (\$1,012,850.00), together with all renewals, extensions, modifications, refinancings, consolidations, additions, and substitutions for such Note including, but not limited to, additional promissory notes between the Debtor and Secured Party.

**Related Documents.** The words "Related Documents" mean and include without limitation all promissory notes, loan agreements, guaranties, security agreements, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Secured Debt.

**Secured Debt.** The word "Secured Debt" means: (i) the indebtedness evidenced by the Note, including all principal and interest due thereunder, together with all other indebtedness, costs, expenses, and obligations for which Debtor is responsible under this Agreement or under any of the Related Documents; all other indebtedness and obligations of Debtor to Secured Party outstanding as of the date of this Agreement; and, all future indebtedness and obligations of Debtor to Secured Party.

**Secured Party.** The word "Secured Party" means The Huntington National Bank, a national banking association, its successors and assigns.

2. **POSSESSION AND RIGHT OF SETOFF.** Debtor hereby grants Secured Party a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers to Secured Party all of Debtor's right, title and interest in and to all of Debtor's property that may be in the possession of the Secured Party at any time and from time to time, including, but not limited to, money, instruments, documents of title, chattel paper, certificates of

deposit, and Debtor's deposit accounts with Secured Party (whether checking, savings, or some other type of deposit account), including all deposit accounts held jointly with someone else and all deposit accounts Debtor may open in the future, excluding however, all IRA and Keogh accounts and all trust accounts for which the grant of a security interest or setoff would be prohibited by law. Debtor authorize Secured Party to charge or setoff all Secured Debt against any and all such money, certificates of deposit, or deposit accounts, without notice, upon the occurrence of an Event of Default.

3. **OBLIGATIONS OF DEBTOR.** Debtor warrants and covenants to Secured Party as follows:

a. **Perfection of Security Interest.** Debtor authorizes Secured Party to file such financing statements and other writings and authorizes Secured Party to take whatever other actions are necessary to perfect and continue Secured Party's security interest in the Collateral. If necessary, Debtor agrees to execute such further documents, including assignments, or take such further actions to allow Secured Party to perfect the security interest granted herein or otherwise act hereunder. Upon request of Secured Party, Debtor will deliver to Secured Party any and all of the documents evidencing or constituting the Collateral, and Debtor will note Secured Party's interest upon any and all chattel paper if not delivered to Secured Party for possession by Secured Party. Debtor hereby appoints Secured Party as its irrevocable attorney-in-fact for the purpose of filing any documents necessary to perfect or to continue the security interest granted in this Agreement. Secured Party may at any time, and without further authorization from Debtor, file an original or a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement to secure the Collateral

including, but not limited to, all applicable UCC's or similar filings with the Surface Transportation Board. Secured Party shall receive prior to closing, a UCC-1 lien search or similar official report from the Secretary of State of Debtor's incorporation indicating that Secured Party's security interest is prior to, or will be prior to all other security interests or other interests reflected in the searches or reports, except for such security interests identified in Schedule 3 attached hereto. Debtor will reimburse Secured Party for all expenses for the perfection and the continuation of the perfection of Secured Party's security interest in the Collateral. This is a continuing security agreement and will continue in effect for so long as any Note remain outstanding. Upon payment of all indebtedness owed to Secured Party by the Debtor, the Secured Party will execute a release of its security interest created hereby and any related UCC filings if the Debtor makes a written request for such release.

b. **No Violation.** The execution and delivery of this Agreement will not violate any law or agreement governing Debtor or its property or to which Debtor is a party.

c. **Enforceability of Collateral.** To the extent the Collateral consists of goods, accounts, chattel paper, letters of credit, deposit accounts or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral.

d. **Location of the Collateral.** Debtor represents that all Collateral will be located at the business locations of Debtor and upon request of Secured Party, will deliver to Secured Party in form satisfactory to Secured Party a schedule of properties and Collateral locations

relating to Debtor's operations, including without limitation the following: (a) all real property owned or being purchased by Debtor; (b) all real property being rented or leased by Debtor; (c) all storage facilities owned, rented, leased, or being used by Debtor, and (d) all other properties where Collateral is or may be located.

e. **Removal of Collateral.** Debtor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at the Debtor's locations shown above, or at such other locations as are acceptable to Secured Party. Except in ordinary course of its business, including the sales of inventory, Debtor shall not remove the Collateral from its existing locations without the prior written consent of Secured Party.

f. **Purchase Money Security Interests.** To the extent Debtor uses the proceeds of the Note to purchase Collateral, Debtor's repayment of the Loan shall apply on a "first-in-first-out" basis so that the portion of the Loan used to purchase a particular item of Collateral shall be paid in the chronological order the Debtor purchased the Collateral.

g. **Transactions Involving Collateral.** Excepting the ordinary course of Debtor's business, Debtor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Debtor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement. This includes security interests even if junior in right to the security interests granted under this Agreement.

h. **Title.** Debtor represents and warrants to Secured Party that it holds good and marketable title to the Collateral, free and clear of all security interests, liens, and encumbrances

except for the security interest and lien of this Agreement. Debtor shall defend Secured Party's rights in the Collateral against the claims and demands of all other persons.

4. **DEBTOR'S RIGHT TO POSSESSION.** Except as provided below with regard to collection of accounts, until the occurrence of an Event of Default, Debtor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Debtor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Secured Party is required or permitted by law to perfect Secured Party's security interest in such Collateral, or Secured Party elects to perfect its security interest by possession along with the filing of a financing statement. Except in the case of Secured Party's gross negligence, if Secured Party at any time has possession of any Collateral, whether before or after an Event of Default, Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Secured Party takes such action for that purpose as Debtor shall request or as Secured Party, in Secured Party's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Debtor shall not of itself be deemed to be a failure to exercise reasonable care. Secured Party shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Secured Debt. Where Collateral is in the possession of a third party, Debtor will join with Secured Party in notifying the third party of Secured Party's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Secured Party.

5. **COLLECTION OF ACCOUNTS.** Upon an Event of Default, (i) Secured party may at any time, and upon request of Secured Party, Debtor shall, notify the account debtors on Debtor's accounts of the security interest of Secured Party in, or of the assignment to Secured Party of, the accounts on which the account debtors are liable to Debtor; (ii) Secured Party may notify the account debtors to make payment on the accounts directly to Secured Party; and (iii) Secured Party may take control of the cash and other proceeds of any of Debtor's accounts. Cost of collection and enforcement of the accounts, including attorneys' fees and out-of-pocket expenses, shall be borne solely by Debtor whether incurred by Secured Party or by Debtor. With respect to all accounts, the collection and enforcement of the accounts by Debtor shall be as agent for Secured Party and all collections and proceeds of accounts shall be promptly turned over by Debtor to Secured Party in the form in which they are received by Debtor, either by mailing or delivering them to Secured Party not later than the banking business day following receipt by Debtor. All checks, drafts and other instruments shall be endorsed by Debtor to Secured Party. If Debtor fails to make the endorsement, Secured Party is irrevocably authorized to endorse them on behalf of Debtor. Debtor will not commingle the collections or proceeds with any of Debtor's other funds or property but will hold the collections or proceeds separate and apart and on an express trust for Secured Party. Secured Party shall have the right at any time to enforce Debtor's rights against the account debtors.

6. **CONTROL AGREEMENTS.** To the extent applicable, Debtor will cooperate with Secured Party in obtaining a control agreement in a form and substance satisfactory to Secured Party with respect to Collateral consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper.

7. **EXPENDITURES BY SECURED PARTY.** If not discharged or paid when due, Secured Party may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Debtor under this Agreement, including without limitation all taxes, liens, security interests encumbrances, and other claims, at any time levied or placed on the Collateral. Secured Party also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Secured Party for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Secured Party to the date of repayment by Debtor. All such expenses shall become a part of the Secured Debt and at Secured Party's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note' maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Secured Party may be entitled upon the occurrence of an Event of Default.

8. **EVENTS OF DEFAULT.** An Event of Default pursuant to the terms of the Line of Credit Agreement shall constitute an Event of Default under this Agreement.

9. **RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Agreement, at any time thereafter, Secured Party shall have all the rights of a secured party under the West Virginia Uniform Commercial Code. In addition and without limitation, Secured Party may exercise any one or more of the following rights and remedies:

a. **Accelerate Secured Debt.** Secured Party may declare the entire Secured Debt, including any prepayment penalty, if applicable, which Debtor would be required to pay, immediately due and payable, without notice.

b. **Sell the Collateral.** Secured Party shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Debtor. Secured Party may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor and other parties entitled to notice reasonable notice of the time and place of any public sale and reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral and any collateral under any Related Documents, including without limitation, the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Secured Debt secured by this Agreement and shall be payable on demand, with interest at such respective Note' rate from date of expenditure until repaid. Secured Party has no obligation to clean up or otherwise prepare the Collateral for sale. Secured Party shall sell the Collateral without giving any warranties as to the Collateral. Secured Party shall specifically disclaim any warranties of title or the like.

c. **Collect Revenues, Apply Accounts.** Secured Party, either itself or through a receiver, may collect the Debtor's accounts receivable and/or the payments, rents, income, and revenues from the Collateral. Secured Party may at any time in its discretion transfer any

Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Secured Debt or apply it to payment of the Secured Debt in such order of preference as Secured Party may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Secured Party may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Secured Party may determine. For these purposes, Secured Party may, on behalf of and in the name of Debtor, receive, open and dispose of mail addressed to Debtor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Secured Party may notify account debtors and obligors on any Collateral to make payments directly to Secured Party.

d. **Setoff.** Secured Party may charge or setoff all Secured Debt against any and all Collateral in its possession.

e. **Obtain Deficiency.** If Secured Party chooses to sell any or all of the Collateral, Secured Party may obtain a judgment against Debtor for any deficiency remaining on the Secured Debt due to Secured Party after application of all amounts received from the exercise of the rights provided in this Agreement. Debtor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

f. **Other Rights and Remedies.** Secured Party shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be

amended from time to time. In addition, Secured Party shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

g. **Cumulative Remedies.** All of Secured Party's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Secured Party to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Debtor under this Agreement, after Debtor's failure to perform, shall not affect Secured Party's right to declare a default and to exercise its remedies.

10. **MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

a. **Amendments.** The Note and this Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

b. **Applicable Law.** This Agreement has been delivered to Secured Party and accepted by Secured Party in the State of West Virginia. If there is a lawsuit, Debtor consents to the jurisdiction of the courts of the State of West Virginia. This Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia, except to the extent that the UCC provides for the application of the law of the Debtor's state of incorporation or for the state where the Collateral is located for perfection, the laws of those states shall apply.

c. **Attorneys' Fees; Expenses.** Debtor agrees to pay upon demand all of Secured Party's costs and expenses, including reasonable attorneys' fees and Secured Party's legal expenses, incurred in connection with the enforcement of this Agreement. Secured Party may pay someone else to help enforce this Agreement and Debtor shall pay the costs and expenses of such enforcement. Costs and expenses include Secured Party's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Debtor also shall pay all court costs and such additional fees as may be directed by the court.

d. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

e. **Notices.** All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile, and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Debtors, notice to any Debtor will constitute notice to all Debtors. For notice purposes, Debtor will keep Secured Party informed at all times of Debtor's current address.

f. **Power of Attorney.** Upon an Event of Default, Debtor hereby appoints Secured Party as its true and lawful attorney-in-fact, irrevocably, with full power of substitution, coupled

with an interest, to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Debtor, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Debtor, or otherwise, which in the discretion of Secured Party may seem to be necessary or advisable. This power is given as security for the Secured Debt, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Secured Party.

- g. **Risk of Loss.** Debtor has the risk of loss of the Collateral.
- h. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- i. **Successor Interests.** Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

j. **Time.** Time is of the essence in the performance of this Agreement.

k. **Waiver.** Secured Party shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver by Secured Party of a provision of this Agreement shall not prejudice or constitute a waiver of Secured Party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Secured Party, nor any course of dealing between Secured Party and Debtor, shall constitute a waiver of any of Secured Party's rights or of any of Debtor's obligations as to any future transactions. Whenever the consent of Secured Party is required under this Agreement, the granting of such consent by Secured Party in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Secured Party.

l. **Further Assurances.** Debtor agrees to execute any further documents and to take any further actions reasonably requested by Secured Party to evidence or perfect the security interest granted herein or to effectuate the rights granted to or intended to be granted to Secured Party herein.

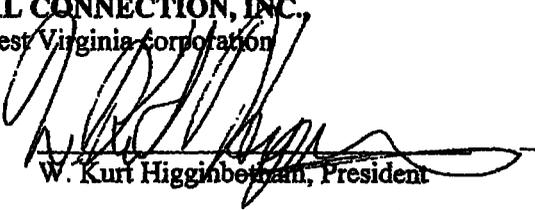
[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement on as of the date first above written.

**DEBTOR:**

**RAIL CONNECTION, INC.,**  
a West Virginia corporation

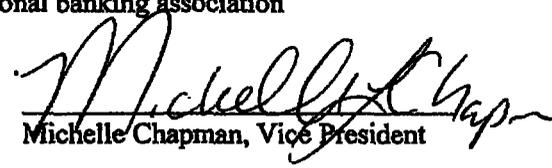
By:

  
W. Kurt Higginbotham, President

**SECURED PARTY:**

**THE HUNTINGTON NATIONAL BANK,**  
a national banking association

By:

  
Michelle Chapman, Vice President

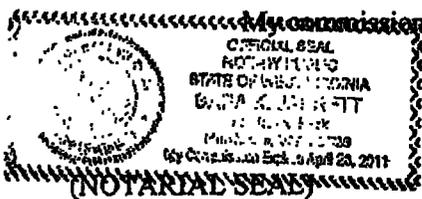
[Acknowledgments follow.]

STATE OF WEST VIRGINIA,  
COUNTY OF KANAWHA, TO-WIT:

Sara K. Jarrett

, a notary public of said county, do certify that W. Kurt Higginbotham, the President of Rail Connection, Inc., who signed the writing hereto annexed, bearing date as of the 7 day of May, 2008, has this day in my said county, before me, acknowledged the same to be the act and deed of said corporation.

Given under my hand this 7<sup>th</sup> day of May, 2008.



My commission expires: April 26, 2011

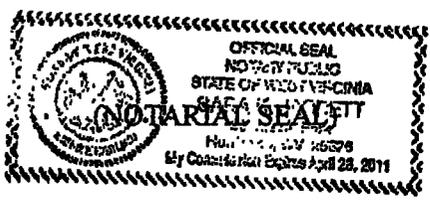
Sara K. Jarrett  
Notary Public

STATE OF WEST VIRGINIA,  
COUNTY OF KANAWHA, TO-WIT:

I, Sara K. Jarrett

, a notary public of said county, do certify that Michelle Chapman, Vice President of THE HUNTINGTON NATIONAL BANK, a national banking association, who signed the writing hereto annexed on May 7, 2008, has this day in my said county, before me, acknowledged the same to be the act and deed of said association.

Given under my hand this 7<sup>th</sup> day of May, 2008.



My commission expires: April 26, 2011

Sara K. Jarrett  
Notary Public