

RECORDATION NO. 25601-A FILED

MAY 24 '05

4-22 PM

ALVORD AND ALVORD
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SURFACE TRANSPORTATION BOARD

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20036

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May 24, 2005

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Collateral Assignment, dated as of April 1, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease being filed with the Board under Recordation Number _____.

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

Lender: FirstMerit Bank, N.A.
106 South Mail Street
Akron, Ohio 44308

Borrower: The Andersons, Inc.
480 West Dussel Drive
Maumee, Ohio 43537

Mr. Vernon A. Williams

May 24, 2005

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

16 covered hopper cars within the series BAEX 000180 - BAEX 000256 as more particularly set forth in the equipment schedule attached to the document.

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

Memorandum of Security Agreement and Collateral Assignment.

Also enclosed is a check in the amount of \$33.00 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

MEMORANDUM OF SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT

This MEMORANDUM OF SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT ("Agreement") is made entered into as of April 1, 2005, by and between The Andersons, Inc. ("Borrower") and FirstMerit Bank, N.A. ("Lender").

WHEREAS, The Andersons, Inc., as Lessor, and General Mills Operations Inc., as Lessee, have heretofore entered into that certain Full Service Lease Agreement, Lease #199602-GEN dated August 1, 1996 and Full Service Lease Agreement Rider Deal #R00674 dated November 22, 2004 (collectively, the "Lease") pertaining to the rail cars described in Exhibit A attached hereto ("Equipment"). Evidence of the Lease has been recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301 simultaneously with this Agreement and assigned recordation number _____.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby grants Lender a security interest in the Equipment and the Lease, any rental payments due under the Lease, the proceeds of any of the foregoing and of certain insurance on Equipment; and Lender acknowledges this security interest.

This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but altogether only one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first written above.

[Signature Pages To Follow]

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SURFACE TRANSPORTATION BOARD

BORROWER: THE ANDERSONS, INC.

By: Gary Smith
Gary Smith
Title: Vice President, Finance and Treasurer

STATE OF OHIO)
COUNTY OF LUCAS) ss:

Before me, a Notary Public, in and for said county and state, personally appeared Gary Smith, the Vice President Finance, and Treasurer of The Andersons, Inc., an Ohio corporation, who acknowledged that he being thereunto duly authorized, did sign the foregoing instrument in behalf of said corporation and by authority of its Board of Directors on behalf of the corporation and that the same is the free act and deed of said officer and of said corporation.

In Testimony Whereof, I have hereunto set my hand and official seal at Maumee, Ohio this 23rd day of ~~April~~ May 2005.

Judy A. Baldwin
Notary Public
My Commission Expires: 2/01/2010



JUDY A. BALDWIN
Notary Public, State of Ohio
Commission Expires 2/01/2010

LENDER: FIRSTMERIT BANK, N.A..

By: Kevin Rinehart

Name: Kevin Rinehart

Title: Senior Vice President

STATE OF Ohio

) ss:

COUNTY OF Summit

Before me, a Notary Public, in and for said county and state, personally appeared Kevin Rinehart, the Senior Vice President of FirstMerit Bank, N.A., an National Banking Association, who acknowledged that he/she being thereunto duly authorized, did sign the foregoing instrument in behalf of said corporation and by authority of its Board of Directors on behalf of the corporation and that the same is the free act and deed of said officer and of said corporation.

In Testimony Whereof, I have hereunto set my hand and official seal at Akron, Ohio this 1st day of April, 2005.

Pamela J. Cooksey
Notary Public
My Commission Expires: 5/18/09

Pamela J. Cooksey, Notary
State of Ohio
My Commission Expires: 05/18/09

Pamela J. Cooksey, Notary
State of Ohio
My Commission Expires: 05/18/09

EXHIBIT "A" to a Lease Assignment, Management and Escrow Agreement, a Promissory Note and a Memorandum of Security Agreement and Collateral Agreement, all dated April 1, 2005, between The Andersons, Inc. and FirstMerit Bank, NA.

Reference Full Service Lease Agreement Lease dated August 1, 1996 and Rider Deal #R00674 dated November 22, 2004 (the "Lease") between The Andersons, Inc. and General Mills Operations, Inc.

Equipment Listing:

Sixteen (16) covered hopper cars

Numbers:

BAEX000180
BAEX000205
BAEX000207
BAEX000208
BAEX000216
BAEX000218
BAEX000221
BAEX000226
BAEX000234
BAEX000237
BAEX000238
BAEX000239
BAEX000245
BAEX000254
BAEX000255
BAEX000256

The Andersons, Inc.
(Borrower)

by: _____
Gary Smith
Vice President Finance & Treasurer

FirstMerit Bank, N. A.
(Lender)

by: _____
its: _____

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

5/24/05



Robert W. Alvord