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RECORDED 29487

OCT 01 '10 -3 30 PM

SURFACE TRANSPORTATION BOARD

Carl E. Anderson, Esquire

Direct Dial Number: 717-852-4988

E-mail: canderson@barley.com

September 30, 2010

**Via Federal Express**

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
Washington, D.C. 20423-0001

Re: Recordation of Security Agreement and Equipment List

Dear Sir:

I have enclosed an original and one copy/counterpart of the documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The document is a Security Agreement and Equipment List attached as Exhibit A thereto, a primary document, dated August 30, 2010.

The names and addresses of the parties to the document:

Secured Party, Lender: Sovereign Bank  
601 Penn Street  
Reading, PA 19601

Principal Debtors: Andrew M. Muller, Jr.  
16 Snowdrift Road  
Kutztown, PA 19530

and

Carol S. Muller  
16 Snowdrift Road  
Kutztown, PA 19530

Guarantor: Reading Blue Mountain and  
Northern Railroad Company  
P.O. Box 218  
Port Clinton, PA 19549

December 18, 2009

Page 2

A description of the equipment covered by the documents follows:

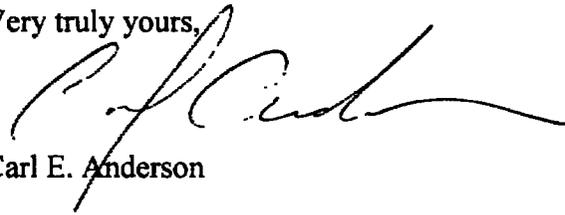
Included in the property covered by the aforementioned Security Agreement and Equipment List attached as Exhibit A are all railcars now owned or hereafter acquired by the Debtor, including 235 coal railcars marked RBMN and numbered 7351-7598 and number 9999 as set forth on the Equipment List and any additions or substitutions or subtractions to the Equipment List, wherever located, intended for use related to interstate commerce.

A fee of \$41.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the undersigned in the self-addressed stamped envelope enclosed.

Please also complete the W-9 form enclosed and return it in the enclosed blue envelope.

Please contact me with any questions.

Very truly yours,



Carl E. Anderson

CEA/slm:3030495\_1

Enclosures

cc: Steven M. Weidman, Senior Vice President, Commercial Relationship Manager

OCT 01 '10 -3 30 PM

**SECURITY AGREEMENT**

**SURFACE TRANSPORTATION BOARD**

SECURITY AGREEMENT, dated as of August 30, 2010, between **ANDREW M. MULLER, JR. and CAROL S. MULLER**, Individuals, residing at 16 Snowdrift Road, Kutztown, Pennsylvania 19530 (hereinafter collectively the "**Debtor**") and **SOVEREIGN BANK**, a federal savings bank with a place of business at 601 Penn Street, Reading, Pennsylvania 19601 (the "**Lender**").

WHEREAS, the Debtor and the Lender are parties to that certain Loan Agreement dated July 26, 2010 (as amended and modified from time to time, the "**Loan Agreement**"); and

WHEREAS, it is a condition precedent to the Lender making any loans or otherwise extending credit to the Debtor that the Debtor execute and deliver to the Lender a security agreement in substantially the form hereof; and

WHEREAS, the Debtor wishes to grant security interests in favor of the Lender as herein provided.

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** All capitalized terms used herein without definitions shall have the meanings provided therefore in the Loan Agreement. The term "**State**", as used herein, means the Commonwealth of Pennsylvania. All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9. The term "**Obligations**", as used herein, means all of the indebtedness, obligations and liabilities of the Debtor to the Lender, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Loan Agreement, the Guaranties or other instruments or agreements executed and delivered pursuant thereto or in connection therewith or this Agreement. The occurrence of an Event of Default under the Loan Agreement will constitute an Event of Default hereunder.

2. **Grant Of Security Interest.** The Debtor hereby grants to the Lender, to secure the payment and performance in full of all of the Obligations, a security interest in and pledges and assigns to the Lender the following properties, assets and rights of the Debtor, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (collectively the "**Collateral**"): The 235 coal railcars that are represented in the Equipment List attached hereto as Exhibit A and any additions or substitutions or subtractions to the Equipment List, wherever located.

3. **Authorization To File Financing Statements.** The Debtor hereby irrevocably authorizes the Lender at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto, including the filing of this Agreement or any other required document filing to perfect Lender's first lien security interest in

the Collateral with the Surface Transportation Board, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or contains any other information required by Article 9 of the Uniform Commercial Code of the State for the sufficiency or filing office acceptance of any financing statement or amendment. The Debtor agrees to furnish any such information to the Lender promptly upon request. The Debtor also ratifies its authorization for the Lender to have filed in any Uniform Commercial Code jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

4. Other Actions. Further to insure the attachment, perfection and first priority of, and the ability of the Lender to enforce, the Lender's security interest in the Collateral, the Debtor agrees, in each case at the Debtor's own expense, to take the following actions with respect to the following Collateral:

4.1. Other Actions As To Any And All Collateral. The Debtor further agrees to take any other action reasonably requested by the Lender to ensure the attachment, perfection and first priority of, and the ability of the Lender to enforce, the Lender's security interest in any and all of the Collateral including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that the Debtor's signature thereon is required therefore, (b) causing the Lender's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Lender to enforce, the Lender's security interest in such Collateral, (c) holding its books and records relating to the Collateral in a manner satisfactory to the Lender, (d) delivering to the Lender from time to time promptly at its request, all invoices, original documents of title, contracts, chattel paper, instruments and any other writings relating thereto, and other evidence of performance of contracts, or evidence of shipment or delivery of the merchandise or of the rendering of services, (e) delivering to the Lender promptly at the Lender's request from time to time additional copies of any or all of such papers or writings and such other information with respect to any of the Collateral and such schedules of inventory, schedules of accounts and such other writings as the Lender may in its sole discretion deem to be necessary or effectual to evidence the Lender's security interest in the Collateral, (f) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Lender to enforce, the Lender's security interest in such Collateral, (g) obtaining governmental and other third party consents and approvals, including without limitation any consent of any licensor, lessor or other person obligated on Collateral, (h) endeavoring to obtain waivers from mortgagees and landlords in form and substance satisfactory to the Lender and (i) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

5. Relation To Other Security Documents. The provisions of this Agreement supplement the provisions of any existing security agreements, pledge agreements, assignments, motor vehicle security documents, real estate mortgages or deeds of trust granted by the Debtor to the Lender and securing the payment and performance of any of the Obligations. Nothing

contained in any such documents shall derogate from any of the rights or remedies of the Lender hereunder.

6. Government Contracts. If any Collateral covered hereby arises from obligations due to Debtor from any governmental unit or organization, Debtor shall immediately notify Lender in writing and execute all documents and take all actions deemed necessary by Lender to ensure recognition by such governmental unit or organization of the rights of Lender in the Collateral.

7. Representations And Warranties Concerning Collateral, Etc. The Debtor further represents and warrants to the Lender as follows: (a) the Debtor is (and as to the Collateral acquired after the date hereof will be) the owner of the Collateral, free from any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement and Permitted Liens, (b) none of the Collateral constitutes, or is the proceeds of, "farm products" as defined in the Uniform Commercial Code of the State, (c) none of the account debtors or other persons obligated on any of the Collateral is a governmental authority subject to the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral, and (d) to their knowledge, the Debtor has at all times operated their business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances.

8. Covenants Concerning Collateral, Etc. The Debtor further covenants with the Lender as follows: (a) the Collateral, to the extent not delivered to the Lender pursuant to Section 4, will be kept at the Debtor's place of business and the Debtor will not (except for use in the ordinary course of business) remove the Collateral from such location, without providing at least 30 days prior written notice to the Lender, (b) except for the security interest herein granted and existing liens in favor of the Lender and Permitted Liens, the Debtor shall be the owner of the Collateral free from any lien, security interest or other encumbrance, and the Debtor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Lender, (c) the Debtor shall not pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any person other than the Lender, except for Permitted Liens, (d) the Debtor will keep the Collateral in good order and repair, reasonable wear and tear excepted, and will not use the same in violation of law or any policy of insurance thereon, (e) the Debtor will permit the Lender, or its designee, to inspect the Collateral at any reasonable time during normal business hours upon reasonable advance notice, wherever located, (f) the Debtor will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement, (g) the Debtor will continue to operate their business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances, and (h) the Debtor will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for sales consented to by the Lender and where the Lender receives all of the proceeds of such sales to be applied to the Obligations as determined by the Lender at its sole discretion.

9. Insurance.

9.1. Maintenance Of Insurance. The Debtor will maintain with financially sound and reputable insurers insurance with respect to the Collateral against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Said insurance shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Lender. In addition, all such insurance shall be payable to the Lender as loss payee. Without limiting the foregoing, the Debtor will (i) keep all of the Collateral insured, and (ii) maintain general public liability insurance against claims of bodily injury, death or property damage occurring, on, in or about the properties of the Debtor.

9.2. Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with a prior interest in the property covered thereby (i) so long as no Event of Default has occurred and to the extent that the amount of such proceeds is less than \$10,000, be disbursed to the Debtor for direct application by the Debtor solely to the repair or replacement of the Debtor's property so damaged or destroyed, and (ii) in all other circumstances, be held by the Lender as cash collateral for the Obligations and/or applied to the Obligations. The Lender may, at its sole option, disburse from time to time all or any part of such proceeds so held as cash collateral, upon such terms and conditions as the Lender may reasonably prescribe, for direct application by the Debtor solely to the repair or replacement of the Debtor's property so damaged or destroyed, or the Lender may apply all or any part of such proceeds to the Obligations.

9.3. Notice Of Cancellation, Etc. All policies of insurance shall provide for at least thirty (30) days prior written cancellation notice to the Lender. In the event of failure by the Debtor to provide and maintain insurance as herein provided, the Lender may, at its option, provide such insurance and charge the amount thereof to the Debtor. The Debtor shall furnish the Lender with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

10. Collateral Protection Expenses; Preservation Of Collateral.

10.1. Expenses Incurred By Lender. In its discretion, the Lender may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral following the Debtor's failure to discharge such taxes or other encumbrances, make repairs thereto, maintain the Collateral and pay any necessary filing fees or, if the Debtor fails to do so, insurance premiums. The Debtor agrees to reimburse the Lender on demand for any and all expenditures so made. The Lender shall have no obligation to the Debtor to make any such expenditures, nor shall the making thereof relieve the Debtor of any default.

10.2. Lender's Obligations And Duties. Anything herein to the contrary notwithstanding, the Debtor shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by the Debtor thereunder. The Lender shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Lender of any payment relating to any of the Collateral, nor shall the Lender be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any

payment received by the Lender in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Lender or to which the Lender may be entitled at any time or times. The Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under the Uniform Commercial Code of the State or otherwise, shall be to deal with such Collateral in the same manner as the Lender deals with similar property for its own account.

11. Deposits. After the occurrence of an Event of Default, the Lender may demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Lender to the Debtor may at any time be applied to or set off against any of the Obligations.

12. Notification To Account Debtors And Other Persons Obligated On Collateral. The Debtor shall, after the occurrence of an Event of Default, at the request of the Lender, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Lender in the Collateral and that payment thereof is to be made directly to the Lender or to any financial institution designated by the Lender as the Lender's agent therefor, and the Lender may itself, without notice to or demand upon the Debtor, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, the Debtor shall hold any proceeds of collection of the Collateral received by the Debtor as trustee for the Lender without commingling the same with other funds of the Debtor and shall turn the same over to the Lender in the identical form received, together with any necessary endorsements or assignments. The Lender shall apply the proceeds of collection of the Collateral received by the Lender to the Obligations.

13. Power Of Attorney.

13.1. Appointment And Powers Of Lender. The Debtor hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in the Lender's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Debtor, without notice to or assent by the Debtor, to do the following: (a) upon the occurrence of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State and as fully and completely as though the Lender were the absolute owner thereof for all purposes, and to do at the Debtor's expense, at any time, or from time to time, all acts and things which the Lender deems necessary or advisable to protect, preserve or realize upon the Collateral and the Lender's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as the Debtor might do, including, without limitation, (i) to receive, open and dispose of all mail addressed to the Debtor and to take therefrom any remittances or proceeds of Collateral in which the Lender

has a security interest, (ii) to notify Post Office authorities to change the address for delivery of mail addressed to the Debtor to such address as the Lender shall designate, (iii) the filing and prosecuting of registration and transfer applications with the appropriate federal or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, and (iv) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and (b) to the extent that the Debtor's authorization given in Section 3 is not sufficient, to file such financing statements and/or motor vehicle security documents with respect hereto, with or without the Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Lender may deem appropriate and to execute in the Debtor's name such financing statements, continuation statements and motor vehicle security documents and amendments thereto which may require the Debtor's signature.

13.2. Ratification By Debtor. To the extent permitted by law, the Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

13.3. No Duty On Lender. The powers conferred on the Lender hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Lender shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any act or failure to act, except for the Lender's own gross negligence or willful misconduct.

14. Remedies. Upon the occurrence of an Event of Default, the Lender may, without notice to or demand upon the Debtor, declare this Agreement to be in default, and the Lender shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State or of any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose the Lender may, so far as the Debtor can give authority therefore enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Lender may in its discretion require the Debtor to assemble all or any part of the Collateral at such location or locations within the jurisdictions of the Debtor's principal office(s) or at such other locations as the Lender may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Lender shall give to the Debtor at least 10 business days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Debtor hereby acknowledges that 10 business days prior written notice of such sale or sales shall be reasonable notice.

15. Standards For Exercising Remedies. To the extent that applicable law imposes duties on the Lender to exercise remedies in a commercially reasonable manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Lender (a) to fail to incur expenses reasonably deemed significant by the Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third-party consents for access to Collateral to be

disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise reasonable collection remedies against account debtors or other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise reasonable collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Lender against risks of loss, collection or disposition of Collateral or to provide to the Lender a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Lender, to obtain the services of brokers, investment lenders, consultants and other professionals to assist the Lender in the collection or disposition of any of the Collateral. The Debtor acknowledges that the purpose of this Section 15 is to provide non-exhaustive indications of what actions or omissions by the Lender would not be commercially unreasonable in the Lender's exercise of remedies against the Collateral and that other actions or omissions by the Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 15. Without limitation upon the foregoing, nothing contained in this Section 15 shall be construed to grant any rights to the Debtor or to impose any duties on the Lender that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 15.

16. No Waiver By Lender, Etc. The Lender shall not be deemed to have waived any of its rights upon or under the Obligations or the Collateral unless such waiver shall be in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Lender with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Lender deems expedient.

17. Suretyship Waivers By Debtor. The Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Lender may deem advisable. The Lender shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining

thereto beyond the safe custody thereof as set forth in Section 10.2. The Debtor further waives any and all other suretyship defenses.

18. **Marshalling.** The Lender shall not be required to marshal any present or future collateral security (including but not limited to this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, the Debtor hereby agrees that they will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Lender's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Debtor hereby irrevocably waives the benefits of all such laws.

19. **Proceeds Of Dispositions; Expenses.** The Debtor shall pay to the Lender on demand amounts equal to any and all expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred or paid by the Lender in protecting, preserving or enforcing the Lender's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Lender may determine proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by the Uniform Commercial Code of the State, any excess shall be returned to the Debtor, and the Debtor shall remain liable for any deficiency in the payment of the Obligations.

20. **Overdue Amounts.** Until paid, all amounts due and payable by the Debtor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Note.

21. **Replacement Documents.** Upon receipt of an affidavit of an officer of the Lender as to the loss, theft, destruction or mutilation of any note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon cancellation of such Agreement or other security document, the Debtor will issue, in lieu thereof, a replacement note or other security document in the same principal amount thereof and otherwise of like tenor.

22. **Right Of Set Off.** The Debtor hereby grants to the Lender a lien, security interest and a right of setoff as security for all liabilities and obligations to the Lender arising under the Loan Documents, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of, the Lender or any entity under the control of the Lender, or in transit to any of them. Upon the occurrence of an Event of Default, without demand or notice, the Lender may set off the same or any part thereof and apply the same to any liability or obligation of the Debtor arising under the Loan Documents even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE THE LENDER

TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOANS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE COMPANY, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED. The Lender shall not be required to marshal any present or future security for, or guarantees of, the obligations or to resort to any such security or guarantee in any particular order and the Debtor waives, to the fullest extent that she lawfully can, (a) any right they might have to require the Lender to pursue any particular remedy before proceeding against them and (b) any right to the benefit of, or to direct the application of the proceeds of any collateral until the Obligations are paid in full.

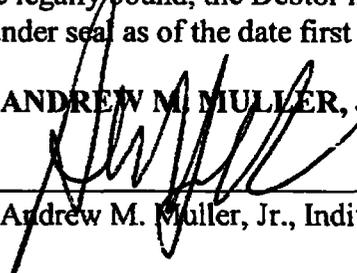
23. Governing Law; Consent To Jurisdiction. THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE. The Debtor agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State or any federal court sitting therein and consents to the nonexclusive jurisdiction of such court. The Debtor hereby waives any objection that they may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

24. Waiver Of Jury Trial. THE DEBTOR AND THE LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED ON THIS AGREEMENT, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE LENDER TO ACCEPT THIS AGREEMENT AND MAKE THE LOAN.

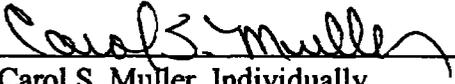
25. Miscellaneous. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Debtor and their respective successors and assigns, and shall inure to the benefit of the Lender and their successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Debtor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, the Debtor has caused this Agreement to be duly executed as an instrument under seal as of the date first above written.

**ANDREW M. MULLER, JR.**

  
\_\_\_\_\_  
Andrew M. Muller, Jr., Individually

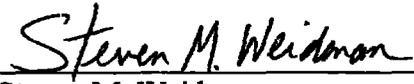
**CAROL S. MULLER**

  
\_\_\_\_\_  
Carol S. Muller, Individually

Accepted:

**SOVEREIGN BANK**

By:

  
\_\_\_\_\_

Steven M. Weidman

Title: Senior Vice President, Commercial  
Relationship Manager

**EXHIBIT A**  
**EQUIPMENT LIST**

RBMN	Blue	7351
RBMN	Blue	7352
RBMN	Blue	7353
RBMN	Blue	7354
RBMN	Blue	7355
RBMN	Blue	7356
RBMN	Blue	7357
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**TOTAL: 235**