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May 30, 1991

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Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 14437 FILED 1425

MAY 31 1991 -10 35 AM

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

Enclosed for recordation under the provisions of 49 USC 11303(a) are the original and five counterparts of a Security Agreement-Trust Deed dated as of May 15, 1991. This document is a primary document.

A general description of the vessels covered by the enclosed document is set forth in Exhibit A attached to this letter and made a part hereof.

The names and addresses of the parties are:

Owner:	Cargill Leasing Corporation 15407 McGinty Road West Wayzata, MN 55391 Attn: General Manager
Security Trustee:	CoreStates Bank, N.A., as Security Trustee 501 Walnut Street Philadelphia, PA 19106 Attn: Corporate Trust Department

A fee of ~~$10~~ $15 is enclosed. Please return the original and four copies of the enclosed document to Ross D. Taylor, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

A short summary of the enclosed primary document to appear in the Index follows:

Security Agreement - Trust Deed between Cargill Leasing Corporation, as Owner, 15407 McGinty Road West, Wayzata, MN 55391, and CoreStates Bank, N.A., as Security Trustee, 501 Walnut

Overnight Express

Street, Philadelphia, PA 19106, covering three oil barges and two hot oil barges.

Very truly yours,

CHAPMAN AND CUTLER

By_____
Ross D. Taylor

Enclosures

RDT:lam

MAY 31 1991 -10 35 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT-TRUST DEED

Dated as of May 15, 1991

Between

CARGILL LEASING CORPORATION

and

CORESTATES BANK, N.A.,
as Security Trustee

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ATTACHMENTS TO SECURITY AGREEMENT-TRUST DEED:

ANNEX I -- Definitions
SCHEDULE 1 -- Mandatory Prepayments of the Notes
SCHEDULE 2 -- Description of Vessels
EXHIBIT A -- Form of 9.03% Secured Note

SECURITY AGREEMENT-TRUST DEED

SECURITY AGREEMENT-TRUST DEED (this *"Security Agreement"*), dated as of May 15, 1991, between CARGILL LEASING CORPORATION, a Delaware corporation (the *"Owner"*), and CORESTATES BANK, N.A., a national banking association (the *"Security Trustee"*). The post office addresses of the Owner and the Security Trustee are set forth in Section 9.3.

RECITALS:

A. The capitalized terms used in this Security Agreement shall have the respective meanings specified in Annex I attached hereto unless otherwise herein defined or the context hereof shall otherwise require.

B. The Owner has entered into the Participation Agreement providing for the commitment of the Note Purchaser to purchase the 9.03% Secured Notes due February 28, 2007 of the Owner in an aggregate principal amount not to exceed $5,026,262.40. The Notes are to be dated the date of issue, to bear interest at the rate of 9.03% per annum prior to maturity, to be expressed to be payable in an installment of interest only on August 28, 1991 followed by 61 quarterly installments payable in accordance with the amortization schedule attached hereto as Schedule 1 on the 28th day of each February, May, August and November commencing November 28, 1991, to mature on February 28, 2007, and are to be otherwise substantially in the form attached as Exhibit B hereto.

C. The proceeds of the Notes are to be applied by the Owner to finance a portion of the purchase price of the Vessels.

D. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument to secure the Secured Indebtedness have been done and performed.

NOW, THEREFORE, in consideration of the premises and of the mutual and reciprocal promises herein made and of the sum of Ten Dollars received by the Owner from the Security Trustee and other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other Secured Indebtedness and the performance and observance of all the covenants and conditions in the Notes, this Security Agreement, and the Participation Agreement contained:

THE OWNER, in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and intending to be legally bound, and in order to secure the equal and pro rata payment of the principal of and interest and Make-Whole Premium Amount, if any, on all Notes at any time outstanding hereunder according to their tenor and effect, and to secure the payment of all other Secured Indebtedness and the performance and observance of all the

covenants and conditions contained in the Notes, this Security Agreement and the Participation Agreement other than the Excepted Rights in Collateral, including, but not limited to, the Owner's rights under the Tax Indemnity Agreement, DOES HEREBY mortgage, assign, pledge and hypothecate unto the Security Trustee, its successors in trust and assigns, forever, and grants to the Security Trustee, its successors in trust and assigns, forever, a security interest in, all and singular the following described Properties, rights, interests and privileges together with the proceeds thereof:

(a) All right, title, interest, claims and demands of the Owner in, to and under the whole of the barges described in Schedule 2 hereto, together with all machinery, tanks, apparel, equipment, covers and all other appurtenances thereunto appertaining or belonging, and also any and all additions, improvements and replacements hereafter made in or to said barges, or any part thereof, or in or to their machinery, tanks, apparel, equipment, covers and other appurtenances aforesaid (said barges, together with all the foregoing, being herein called the "Vessels");

(b) All right, title, interest, claims and demands of the Owner, as owner, in, to and under the Charter, including the Interim Term, Basic Term and any Renewal Term of the Charter, together with all rights, powers, privileges, options and other benefits of the Owner as owner under the Charter, including, without limitation, but subject to Excepted Rights in Collateral, the immediate and continuing right to receive and collect all Charter Hire, income, revenues, issues, profits, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Owner under the Charter pursuant thereto; and

(c) All right, title, interest, claims and demands of the Owner in, to and under the Guaranty Agreement, the Bill of Sale, and any and all other contracts and agreements relating to the Vessels or any rights or interests therein to which the Owner is now or may hereafter be a party, excepting the Tax Indemnity Agreement;

together with all rights, powers, privileges, licenses, easements, options and other benefits of the Owner under each thereof, including, without limitation, the right, but subject to Excepted Rights in Collateral, to take such action upon the occurrence of a default thereunder, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted thereby or by law, and to do any and all other things which the Owner is or may be entitled to do thereunder.

EXCEPTING AND RESERVING, HOWEVER, Excepted Rights in Collateral.

TO HAVE AND TO HOLD the above-mentioned properties unto the Security Trustee, its successors and assigns, forever; IN TRUST NEVERTHELESS, upon the terms and trust herein set forth, for the equal and proportionate benefit, security and protection of

all present and future holders of the Notes outstanding hereunder from and after the issuance of the Notes, without preference, priority or distinction of any Note over any other Note by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any cause whatsoever; *provided* always, however, that these presents are upon the express condition that if the Owner shall pay or cause to be paid all the Secured Indebtedness and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Participation Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise this Security Agreement shall remain in full force and effect.

SECTION 1. EXECUTION, PAYMENT, REGISTRATION, ETC., OF NOTES.

Section 1.1. Execution of Notes; Principal Amount. (a) The Notes shall be signed on behalf of the Owner by any person who, at the date of the actual execution of such Note, shall be a proper officer of the Owner. Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit B hereto shall be entitled to the benefits of this Security Agreement or be valid or obligatory for any purpose. Such certificate by the Security Trustee upon any Note executed by the Owner shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Security Agreement. The authentication by the Security Trustee of any Note issued hereunder shall not be construed as a representation or warranty by the Security Trustee as to the validity or security of this Security Agreement or of such Note, and the Security Trustee shall in no respect be liable or answerable for the use made of such Note or the proceeds thereof. The Security Trustee shall, upon presentation to it of Notes duly executed on behalf of the Owner, authenticate such Notes upon the written request of the Owner so to do and shall thereupon deliver such Notes to or upon the written order of the Owner signed by any person who, at the date of the actual execution of such order, shall be a proper officer of the Owner.

(b) The principal amount of Notes to be issued hereunder shall not exceed $5,026,262.40 except as provided in Section 1.4(a), (b) or (e).

Section 1.2. Payment of Notes. (a) The principal of, Make-Whole Premium Amount, if any, and interest on the Notes shall be payable at the principal office of the Security Trustee, in lawful money of the United States of America. Payment of principal and interest on the Notes shall be made only upon presentation of such Notes to the Security Trustee for notation thereon of the amount of such payment. Any payment or prepayment of amounts due on the Notes in accordance with the terms thereof and hereof which is due on a date which is not a Business Day shall be payable on the next following Business Day without penalty or interest.

(b) Notwithstanding the foregoing provisions of paragraph (a) of this Section 1.2, if any Note is held by a Noteholder which is an institutional investor, the Security Trustee shall, if so requested in writing by such Noteholder (and Section 5 of the Participation Agreement shall constitute such written request in the case of the original Note Purchaser), make payment of interest on such Note and make payments or prepayments of the principal

thereof, and any Make-Whole Premium Amount, by check, duly mailed, by first-class mail, postage prepaid, or delivered to such Noteholder at its address appearing on the Register without surrender or presentation of such Note and without any notation of such payment being made thereon, and such Noteholder (or person for whom such Noteholder is a nominee) will, before selling, transferring or otherwise disposing of such Note, present such Note to the Security Trustee for transfer and notation as provided in Sections 1.4 and 1.5. Upon written notice from any Noteholder which is an institutional investor or its nominee given not less than 30 days prior to the payment or prepayment of the Notes (and Section 5 of the Participation Agreement shall constitute such written notice in the case of the original Note Purchaser), the Security Trustee will cause all payments and prepayments of the principal of, and interest and premium, if any, on the Notes held by such Noteholder or its nominee to be made to any bank in the continental United States as shall be specified in such notice by wire transfer of immediately available Federal Reserve funds to such bank, on each such date such payment or prepayment is due, provided that such bank has facilities for the receipt of a wire transfer.

Section 1.3. Registered Notes; The Register. The Notes shall be issuable as fully registered Notes in the form attached as Exhibit B hereto. The Owner shall cause to be kept at the principal office of the Security Trustee a register for the registration and transfer of the Notes (herein called the *"Register"*). The names and addresses of the holders of the Notes, transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register.

Section 1.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes. (a) The holder of any Note may transfer such Note upon the surrender thereof at the principal office of the Security Trustee. Thereupon, the Owner shall execute in the name of the transferee a new Note or Notes in aggregate principal amount equal to the original principal amount of the Note so surrendered, and the Security Trustee shall authenticate and deliver such new Note or Notes to such transferee.

(b) The holder of any Note may at any time surrender such Note at the principal office of the Security Trustee in exchange for an equal aggregate then outstanding principal amount of Notes.

(c) All Notes presented or surrendered for transfer shall be accompanied by a written instrument or instruments of assignment or transfer setting forth the holders request, in form satisfactory to the Security Trustee, duly executed by the holder or by its attorney duly authorized in writing. The Owner and the Security Trustee shall not be required to make a transfer or an exchange of any Note for a period of ten days preceding any payment date with respect thereto.

(d) No notarial seal shall be necessary for the transfer or exchange of any Note pursuant to this Section 1.4, and the holder of any Note issued as provided in this Section 1.4 shall be entitled to any and all rights and privileges granted under this Security Agreement to a holder of a Note.

(e) In case any Note shall become mutilated or be destroyed, lost or stolen, the Owner, upon the written request of the holder thereof, shall execute and the Security Trustee shall authenticate and deliver a new Note in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substituted Note shall furnish to the Owner and to the Security Trustee such security or indemnity as may be required by them to save each of them harmless from all risks resulting from the authentication and delivery of the substitute Note, and the applicant shall also furnish to the Owner and to the Security Trustee evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Owner may, instead of issuing a substitute Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Owner and to the Security Trustee such security or indemnity as they may require to save them harmless, and shall evidence to the satisfaction of the Owner and the Security Trustee the mutilation, destruction, loss or theft of such Note and the ownership thereof. If any original Note Purchaser or its nominee is the owner of any mutilated, destroyed, lost or stolen Note, then the affidavit of its President, Vice President, Assistant Vice President, Cashier, Assistant Cashier, Secretary or Assistant Secretary in form reasonably satisfactory to the Owner and the Security Trustee setting forth the fact of destruction, loss or theft and such Note Purchaser's ownership of the Note at the time of such mutilation, destruction, loss or theft shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of such original Note Purchaser, in form reasonably satisfactory to the Owner and the Security Trustee, to indemnify the Owner and the Security Trustee from all risks resulting from the authentication and delivery of the substitute Note.

Section 1.5. The New Notes. (a) Each new Note (herein, in this Section 1.5, called a *"New Note"*) issued pursuant to Section 1.4(a), (b) or (e) in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 1.5, called an *"Old Note"*) shall be dated the date of such Old Note. The Security Trustee shall mark on each New Note (i) the date to which principal and interest have been paid on such Old Note, and (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 1.4(a), (b) or (e), the Owner may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Owner.

(c) All New Notes issued pursuant to Section 1.4(a), (b) or (e) in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Owner evidencing the

same debt as the Old Notes and shall be entitled to the benefits and security of this Security Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Security Agreement, the Security Trustee shall deliver to the holder thereof an amortization schedule with respect to such Note setting forth the amount of the mandatory prepayments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such prepayment.

Section 1.6. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Security Trustee for cancellation or, if surrendered to the Security Trustee, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Security Agreement. The Security Trustee shall deliver a certificate to the Owner specifying any cancellation of Notes which has been made. All such cancelled Notes shall be held by the Security Trustee until this Security Agreement shall have been discharged, at which time the Security Trustee shall deliver to Owner such cancelled Notes in a manner necessary to effect the discharge and release of this Security Agreement.

Section 1.7. Security Trustee as Agent. The Security Trustee is hereby appointed the agent of the Owner for the payment, registration, transfer and exchange of Notes. Subject to the provisions of Section 1.2, Notes may be presented for payment at, and notices or demands with respect to the Notes or this Security Agreement may be served or made at, the principal corporate trust office of the Security Trustee.

Section 1.8. Ownership. The Person in whose name any Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Security Agreement and neither the Owner nor the Security Trustee shall be affected by any notice to the contrary and shall not treat any other Person as the owner of a Note until such Person shall have been duly registered as the holder thereof under Section 1.3 hereof. Payment of or on account of the principal of, Make-Whole Premium Amount, if any, and interest on a Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Owner and the Security Trustee may deem and treat the registered owner of any Note as the owner and holder thereof without production of such Note.

SECTION 2. COVENANTS AND WARRANTIES OF THE OWNER.

The Owner covenants, warrants and agrees for the benefit of the Security Trustee and the holders of the Notes as follows:

Section 2.1. Further Assurances. The Owner agrees that at any time and from time to time, upon the written request of the Security Trustee, the Owner will promptly and duly execute and deliver any and all such further instruments and documents as the Security Trustee may deem desirable in obtaining the full benefit of the security intended to be afforded hereby and of the rights and powers herein granted.

Section 2.2. After-Acquired Property. Any and all Property described or referred to in the granting clauses hereof which is hereafter acquired by the Owner shall ipso facto, and without any further conveyance, assignment or act on the part of the Owner or the Security Trustee, become and be subject to the lien and security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.2 contained shall be deemed to modify or change the obligation of the Owner under Section 2.1.

Section 2.3. Actions With Respect To Collateral. The Owner will not, without the written consent of the Security Trustee:

(a) declare a default or exercise any remedies under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, any Assigned Agreement (except as to Excepted Rights in the Collateral and as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien (other than the security interest and lien of this Security Agreement) to secure the payment of indebtedness upon the Vessels, or any part thereof, or the leasehold estate created by the Charter or any part thereof;

(b) receive or collect or permit the receipt or collection of any payment of Charter Hire, Stipulated Casualty Value, Termination Value or any other payment to be made pursuant to Section 10 or 11 of the Charter prior to the date for the payment thereof provided for by the Charter or assign, transfer or hypothecate (other than to the Security Trustee hereunder) any payment of Charter Hire, including, without limitation, Stipulated Casualty Value, Termination Value or any other payment to be made pursuant to Section 10 or 11 of the Charter, then due or to accrue in the future under the Charter in respect of the Vessels, except, in all cases as to any payments representing Excepted Rights in Collateral; or

(c) document any of the Vessels under the laws of any jurisdiction without the consent of the Security Trustee, which consent shall not be unreasonably withheld.

Section 2.4. Power of Attorney in Respect of the Charter. Except with respect to Excepted Rights in Collateral, the Owner does hereby irrevocably constitute and appoint the Security Trustee its true and lawful attorney with an interest and full power of substitution, for it and in its name, place and stead (i) to ask, demand, collect, receive and receipt for any and all Charter Hire, income and other sums which are assigned under the granting clauses hereof and to endorse the name of the Owner on all commercial paper given in payment or in part payment thereof, and (ii) without limiting provisions of the foregoing clause (i) hereof, but subject to the provisions of Section 5.3 hereof, during the continuance of any Event of Default under this Security Agreement, to sue for, compound and give acquittance for, to settle, adjust or compromise any claim for any and all such Charter Hire, income and other sums which are assigned under the granting clauses hereof as fully as the Owner could itself do, to accept any offer of the Charterer to purchase the Vessels as provided in the Charter and upon such purchase to execute and deliver in the name of and on behalf of the Owner an appropriate bill of sale and other instruments of transfer relating to the Vessels,

when purchased by the Charterer in accordance with the Charter, and to perform all other necessary or appropriate acts with respect to any such purchase, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Owner or otherwise, which the Security Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Security Trustee in and to such Charter Hire and other sums and the security intended to be afforded hereby.

Section 2.5. Notice of Default. If an Event of Default has occurred and is continuing to the knowledge of a Responsible Officer of the Owner, the Owner shall give prompt written notice thereof to the Security Trustee and each holder of a Note.

Section 2.6. Title to Vessels. The Owner makes no representations or warranties with respect to title to the Vessels, except that after giving effect to the transactions contemplated hereby and by the Participation Agreement, on the Closing Date it will have whatever title to the Vessels to be purchased on the Closing Date as was conveyed to it free and clear of all Owner's Liens. The Owner will not sell, mortgage, transfer or charter the Vessels except as permitted under this Security Agreement and the Participation Agreement.

Section 2.7. Requisition of Title to Vessels. In the event that title or ownership of any Vessel shall be requisitioned, purchased or taken by any government of any country or any agent thereof, the Owner shall promptly execute and deliver such documents, if any, and shall promptly do and perform such acts, if any, as in the opinion of the Security Trustee may be necessary or useful to facilitate or expedite the collection by the Security Trustee of such compensation, purchase price, reimbursement or award.

SECTION 3. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURITY TRUSTEE.

Section 3.1. Application of Moneys. As more fully set forth in the granting clauses hereof, the Owner has hereby granted to the Security Trustee a security interest in Charter Hire, issues, profits, income and other sums due and to become due under the Charter as security for the Secured Indebtedness. So long as no Event of Default has occurred and is continuing to the knowledge of the Security Trustee:

(a) *Interim Interest Due on the Notes on August 28, 1991 and Basic Charter Hire.* The amounts from time to time received by the Security Trustee which constitute payment of any installment of interim interest due on the Notes on August 28, 1991 or Basic Charter Hire under the Charter shall be applied first, to the payments and prepayments of principal and interest (and, in each case, first to interest and then to principal) on the Notes which have become due and payable or will become due and payable on or before the due date of such installment of interim interest due on the Notes on August 28, 1991 or Basic Charter Hire which is received by the Security Trustee, and second, the balance, if any, of such amounts shall be paid promptly to or upon the order of the Owner.

(b) *Supplemental Payments*. The amounts, if any, from time to time received by the Security Trustee which constitute Supplemental Payments pursuant to Section 6(b) of the Charter (other than Make-Whole Premium Amount, Stipulated Casualty Value, Termination Value, Option Purchase Price or other payments made pursuant to Section 10, 11 or 14(c) of the Charter, which shall be applied in accordance with Section 3(c) below) shall be paid to or upon the order of the Owner or to such other party which is to receive the same pursuant to the terms of the Charter.

(c) *Stipulated Casualty Value, Termination Value Option Purchase Price and Payments Pursuant to Section 14(c) of the Charter*. The amount, if any, received by the Security Trustee which constitutes settlement by the Charterer of the Stipulated Casualty Value, Termination Value, Option Purchase Price or payments pursuant to Section 14(c) of the Charter, including any Make-Whole Premium Amount of any Vessel or any other amounts paid in connection with a termination of the Charter pursuant to Section 10, 11 or 14(c) of the Charter (including the proceeds of insurance if such Stipulated Casualty Value shall not have been paid by the Charterer) shall be paid and applied as follows:

(i) *First*, to the payment of an amount equal to the Make-Whole Premium Amount, if any, and accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following clause;

(ii) *Second*, an amount equal to the Loan Value of such Vessel for which settlement is then being made shall be applied to the prepayment of the Notes and each of the remaining prepayments required pursuant to Section 4.2 hereof on each Note shall be reduced in the proportion that the aggregate principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment (after giving effect to all other prepayments to be made on such date); and

(iii) *Third*, the balance, if any, of such amounts held by the Security Trustee after making the applications provided for by the preceding clauses (i) and (ii) shall be released to or upon the order of the Owner on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

For purposes of this Section 3.1, the *"Loan Value"* in respect of any Vessel shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Acquisition Cost of such Vessel for which settlement is then being made and the denominator of which is the aggregate Acquisition Cost of all Vessels then subject to the Charter (including the Acquisition Cost of such Vessel for which settlement is then being made), times (B) the unpaid principal amount of the Notes immediately prior to the prepayment provided for in this Section 3.1(c) (after giving effect to all other prepayments to be made on such date).

(d) *Insurance Proceeds.* The amounts received by or payable to the Security Trustee from time to time which constitute insurance proceeds in respect of any damage to or destruction of the Vessels or any part thereof (less the actual costs, fees and expenses incurred in the collection thereof) shall, unless the Charter shall be terminated pursuant to Section 11 thereof, be applied or dealt with as follows:

(i) All such proceeds actually received on account of any such damage or destruction other than an Event of Loss to any Vessel shall be paid over to the order of the Charterer subject to and in accordance with the provisions of Section 9(c) of the Charter.

(ii) Pending application pursuant to subparagraph (i) above, all such proceeds held from time to time by the Security Trustee shall be invested and reinvested by the Security Trustee in accordance with Section 6.5(b).

Upon the termination of the Charter pursuant to Section 11 thereof and the payment and satisfaction of all Secured Indebtedness, all such insurance proceeds shall be released to or upon the order of the Owner.

(e) *Condemnation Awards.* Unless the Charter shall be terminated pursuant to Section 11 thereof, any amounts received by or payable to the Security Trustee from time to time which constitute the award, compensation or damages payable for the condemnation or taking of any of the Vessels for any public or quasi-public use (less the reasonable costs, fees and expenses incurred in the collection thereof) shall be released to or upon the order of the Owner.

Section 3.2. Default. If an Event of Default has occurred and is continuing to the knowledge of the Security Trustee, all amounts received by the Security Trustee hereunder shall be held by the Security Trustee for application in the manner provided for in Section 5.7 in respect of proceeds and avails of the Collateral.

Section 3.3. Other Payments. Except as otherwise provided in this Security Agreement, any payments received by the Security Trustee for which provision as to the application thereof is made in the Charter, the Participation Agreement or any other Operative Agreement shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of the Charter, the Participation Agreement or such other Operative Agreement, as the case may be.

SECTION 4. PREPAYMENT OF NOTES.

Section 4.1. Prepayments. Neither any prepayment of any Notes nor any purchase by the Owner of any Notes may be made except to the extent and in the manner expressly permitted by this Security Agreement. Every prepayment of Notes required to be made pursuant to Section 3 shall be made in accordance with the provisions of this Section 4.

Section 4.2. Mandatory Prepayments.

(a) *Termination of Charter.* In the event of a termination of the Charter by the Charterer with respect to any Vessel pursuant to the provisions of Section 10 or 11 of the Charter, on the date of such termination the Owner shall prepay and apply, and there shall become due and payable, a principal amount of the Notes equal to the Loan Value of such Vessel and all accrued and unpaid interest thereon. In the event of an unrescinded termination of the Charter pursuant to Section 10 (a), (b) or (c) of the Charter, Owner shall also pay a premium equal to the Make-Whole Premium Amount with respect to such Notes being prepaid.

(b) *Required Prepayments.* On each of the dates set forth on Schedule 1 hereto, the Owner shall prepay and apply, and there shall become due and payable on the principal indebtedness evidenced by the Notes, the amount specified for such date in said Schedule 1, together with accrued and unpaid interest on the amount so prepaid, but without Make-Whole Premium Amount.

(c) *Refinancing.* In the event of an unrescinded refinancing pursuant to Section 9.13 of the Participation Agreement, on the date of such refinancing the Owner shall prepay and apply, and there shall become due and payable, an amount equal to the outstanding principal amount of the Notes and all accrued and unpaid interest thereon together with a premium equal to the Make-Whole Premium Amount with respect to such Notes being prepaid.

(d) *Section 14(c) of the Charter.* In the event the Charterer has elected to make the payment provided in Section 14(c) of the Charter and said election is not rescinded, on the date of such payment the Owner shall prepay and apply and there shall become due and payable, an amount equal to the outstanding principal amount of the Notes and all accrued and unpaid interest thereon together with a premium equal to the Make-Whole Premium Amount with respect to such Notes being prepaid.

Section 4.3. Notice of Payment; Partial Prepayments. (a) In the case of any payment (other than prepayments required pursuant to Section 4.2(b) hereof) which will discharge all or any portion of the indebtedness of the Owner evidenced by the Notes, notice thereof in writing to the holders of the Notes to be so paid shall be sent by the Security Trustee as agent and attorney-in-fact of the Owner by first-class mail, postage prepaid, to the holder of each Note to be paid at its address set forth in the Register, at least 30 days prior to the date fixed for payment or, in the case of any such prepayment pursuant to Section 4.2(a) hereof, such later date as the Security Trustee shall have received notice of such prepayment. Any notice so mailed shall be conclusively presumed to have been given to such holder whether or not such holder actually receives such notice. Such notice shall specify the date fixed for payment, the provision hereof under which such payment is being effected, the principal amount of the Notes payable on such date, and on the date fixed for payment there will become due and payable upon each Note or portion thereof so to be paid at the place where the principal of the Notes to be paid is payable, the specified amount of principal thereof, together with the accrued interest to such date, with such Make-Whole Premium Amount, if any, as is payable thereon.

(b) In the event of any partial prepayment of any Notes, the aggregate principal amount of such Notes to be prepaid shall be prorated by the Security Trustee among the holders thereof in proportion to the unpaid principal amount of such Notes held by them, and the Security Trustee shall designate the portions of such Notes of each such holder to be prepaid.

(c) By 11:00 a.m. Philadelphia, Pennsylvania time on the date fixed for any payment of Notes the moneys required for such payment shall be deposited with the Security Trustee by the Owner.

SECTION 5. DEFAULTS; REMEDIES UPON DEFAULT.

Section 5.1. Events of Default. The following events of default (each an "Event of Default") by the Owner shall give rise to rights on the part of the Security Trustee described in Section 5.2 hereof:

(a) Default shall be made in the payment of any installment of the principal of, or interest on, the Notes when and as the same shall become due and payable, whether at the due date thereof or by acceleration or otherwise, and such default shall continue for five days; or

(b) Default shall be made by the Owner in the due and punctual performance or observance of any other covenant, condition or agreement by it to be performed and observed, contained in this Security Agreement, the Participation Agreement or the Notes, and such Default shall continue for thirty (30) days after the earlier of (i) actual knowledge of a Responsible Officer of the Owner or (ii) notice by the Security Trustee or any Noteholder to the Owner, *provided, however*, if such default is not capable of remedy within such thirty (30) day period and so long as Owner has been and is diligently taking whatever action is necessary to remedy such default, Owner shall have up to, but not more than, ninety (90) days to cure such default notwithstanding any diligent undertaking to cure such default; or

(c) Any "Event of Default" as defined in the Charter shall have occurred and be continuing; or

(d) Any representation or warranty made by the Owner herein or in any statement or certificate furnished pursuant to or in connection with the execution and delivery of this Security Agreement, the Participation Agreement or the Notes proves untrue in any material respect as of the date of issuance or making thereof; or

(e) The Owner shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its Property, or shall consent to any such relief or to the appointment of or taking possession by any such official in any involuntary case or

other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(f) An involuntary case or other proceeding shall be commenced against the Owner seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its Property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days;

Section 5.2. Security Trustee's Rights. The Owner agrees that when any Event of Default has occurred and is continuing, the Security Trustee may, without limitation of all other rights and remedies available at law or in equity in such event, exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Security Trustee may, and upon the written request of the holders of at least 25% in principal amount of the Notes then outstanding shall, by notice in writing to the Owner, declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable.

(b) Subject always to the then existing rights, if any, of the Charterer under the Charter, the Security Trustee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession, and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Owner once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, or interest therein, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Security Trustee may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to; *provided, however*, that any such sale shall be held in a commercially reasonable manner. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice, and the Security Trustee or the holder or holders of any Notes, or of any interest therein, may bid and become the purchaser at any such sale.

(c) Subject always to the then existing rights, if any, of the Charterer under the Charter, the Security Trustee may proceed to protect and enforce this Security

Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or, subject to the provisions of Section 7, for the recovery of judgment for the Secured Indebtedness or for the enforcement of any other proper, legal or equitable remedy available under applicable law. The Security Trustee in any suit to enforce any of its rights, powers and remedies shall be entitled as a matter of right and not as a matter of discretion (i) to the appointment of a receiver or receivers of the Vessels, and any receiver so appointed shall have full rights and powers to use and operate the Vessels or such other powers as the court appointing such receiver may prescribe, including but not limited to, the power to pay off the crew of the Vessels and repatriate the crew, if need be, and (ii) to a decree ordering and directing the sale and disposal of the Vessels, whereupon the Security Trustee may become the purchaser at such sale and shall have the right to credit on the purchase price any and all sums of money due under the Notes, or otherwise hereunder.

(d) Subject always to the then existing rights, if any, of the Charterer under the Charter, the Security Trustee may proceed to exercise all rights, privileges and remedies of the Owner under the Charter and may exercise all such rights and remedies either in the name of the Security Trustee or in the name of the Owner for the use and benefit of the Security Trustee.

(e) Subject to the then existing rights, if any, of the Charterer under the Charter, take the Vessels wherever the same may be, without legal process and without being responsible for loss or damage; and, subject to the then existing rights, if any, of the Charterer under the Charter, the Owner or other person in possession forthwith upon demand of the Security Trustee shall surrender to the Security Trustee possession of the Vessels and the Security Trustee may hold, lay up, lease, charter, operate or otherwise use the Vessels for such time and upon such terms as it may deem to be for its best advantage, accounting only for the net profits, if any, arising from such use of the Vessels and charging upon all receipts from the use of the Vessels or from any sale thereof or from the exercise of any of the powers conferred by subparagraph (f) next following, all costs, expenses, charges, damages or losses by reason of such use.

(f) Subject to the then existing rights, if any, of the Charterer under the Charter, the Security Trustee may demand, collect, receive, compromise and sue for, so far as may be permitted by law, in the name of the Owner, all freight, hire, earnings, issues, revenues, income and profits of the Vessels, all amounts due from underwriters under any insurance thereon as payments of losses or as return premiums or otherwise, all salvage awards and recoveries, all recoveries in general average or otherwise, and all other sums due or to become due in respect of the Vessels, or in respect of any insurance thereon, from any person whomsoever, and to make, give and execute in the name of the Owner acquittances, receipts, releases or

other discharges for the same, and to endorse and accept in the name of the Owner all checks, notes, drafts, warrants, agreements and other instruments in writing with respect to the foregoing, and the Owner does hereby irrevocably appoint the Security Trustee or its appointees, successors or assigns the true and lawful attorneys-in-fact of the Owner, upon the happening of an Event of Default, to do all said acts.

Notwithstanding the foregoing, it is understood and agreed that the Security Trustee shall not foreclose the Lien of this Security Agreement pursuant to any of the remedies contained in Section 5.2 hereof or otherwise divest the Owner of title to any Vessel solely as a result of an Event of Default occurring under Section 5.1(c) hereof (at a time when no other Event of Default hereunder shall have occurred and be continuing) unless the Security Trustee has proceeded, or is then currently proceeding, to the extent it is then entitled to do so hereunder and under the Charter and is not then stayed or otherwise prevented from doing so by operation of law, to terminate the Charter.

Anything to the contrary contained in this Security Agreement notwithstanding, during the Term of the Charter of any Vessel and so long as no Event of Default under the Charter shall have occurred and be continuing, the Security Trustee covenants and agrees that the Charterer shall have the right of uninterrupted use and enjoyment of each Vessel on the terms and conditions and subject to the limitations set forth in the Charter.

Section 5.3. Certain Rights of the Owner. Anything to the contrary contained in this Security Agreement notwithstanding, including, without limitation, Section 5.2 hereof:

(a) *Default Notice; Right to Cure.* The Security Trustee shall give each holder of the Notes, the Owner and the Charterer written notice of any Event of Default of which the Security Trustee has knowledge. If such Event of Default arises out of the nonpayment of Basic Charter Hire under the Charter or out of such other Event of Default under the Charter which can be cured by the payment of money, the Security Trustee shall give the Owner not less than ten (10) days prior written notice of the date (the *"Enforcement Date"*) on or after which the Security Trustee will exercise any remedy or remedies pursuant to Section 5.2 hereof, or the remedy of terminating the Charter pursuant to the provisions of Section 14 thereof. If an Event of Default shall have occurred and be continuing, the Owner shall have the following rights hereunder:

(i) *Basic Charter Hire.* In the event of the occurrence of an Event of Default resulting from the failure of the Charterer to pay Basic Charter Hire, on or prior to the Enforcement Date the Owner may, but shall not be obligated to, pay to the Security Trustee an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes, and unless the Owner has cured Events of Default in respect of the four (4) immediately preceding payments of quarterly Basic Charter Hire or any eight (8) Events of Default in respect of the payment of quarterly Basic Charter Hire, such payment by the Owner under this Section 5.3(a), solely for the purpose of determining whether an Event of Default is

continuing hereunder, shall cure any Event of Default hereunder which would otherwise have arisen on account of such non-payment by the Charterer of such installment of Basic Charter Hire under the Charter, including any Event of Default pursuant to Section 5.1(b) hereof.

(ii) *Other Defaults.* In the event that an Event of Default (other than a default in the payment of Basic Charter Hire) has occurred under the Charter which can be cured by the payment of money, including the purchase of such goods and/or services from such Persons as shall be necessary to fulfill the required observance or performance, on or prior to the Enforcement Date, the Owner may, but shall not be obligated to, solely for the purpose wnedetermining whether an Event of Default is continuing hereunder, cure such Event of Default under the Charter by making such payment to such Person as is necessary to accomplish the observance or performance of the defaulted covenant, condition or agreement so long as the amount so paid shall not, when aggregated with all amounts theretofore paid under this Section 5.3(a)(ii) during the preceding 365 day period, exceed $500,000.

(iii) *Subrogation.* The Owner shall not, by exercising the right to cure any such Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Owner against the Charterer or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Security Trustee in and to the Collateral. Upon such payment by the Owner of the amount of principal and interest then due and payable on the Notes, the Owner shall be subrogated to the rights of the Security Trustee in respect of any Basic Charter Hire which was overdue at the time of such payment and interest payable by the Charterer on account of its being overdue, and therefore, if no other Event of Default shall have occurred and be continuing and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Security Trustee of such Basic Charter Hire and such interest, the Owner shall be entitled to receive such Basic Charter Hire and such interest upon receipt thereof by the Security Trustee; *provided* that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 5.2(a) hereof, such subrogation shall, until principal of and interest on all Notes shall have been paid in full, be subordinate to the rights of the Security Trustee in respect of such payment of Basic Charter Hire and such interest prior to receipt by the Owner of any amount pursuant to such subrogation, and (ii) the Owner shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

(b) *Prepayment Right.* At any time after the Security Trustee shall have accelerated the Notes pursuant hereto, the Owner may without further notice pay the same, without penalty or Make-Whole Premium Amount;

(c) *Shared Rights.* The Owner will at all times retain and share with Security Trustee, but not to the exclusion of the Security Trustee, the rights (each having the right to act independently and not jointly) (i) to receive from the Charterer all notices, copies of documents and other information which the Charterer is permitted or required to give or furnish to the Owner pursuant to the Operative Agreement, (ii) to inspect the Vessels and the books and records of the Charterer to the extent provided in the Operative Agreements, (iii) to provide such insurance as the Charterer has failed to maintain and to obtain excess insurance for its own account; (iv) to sue for specific performance of the covenants of the Charterer under the Charter with respect to the maintenance and return of the Vessels; and (v) except as otherwise limited by Section 5.3(a), to perform for the Charterer pursuant to Section 20 of the Charter;

(d) *Adjustments; Options.* So long as no Event of Default hereunder has occurred and is continuing, the Owner will retain, to the exclusion of the Security Trustee, the right to exercise the rights, elections and options of the Owner to make any decision or determination and to give any notice, consent, waiver or approval with respect to any adjustments of Basic Charter Hire, Stipulated Casualty Value or Termination Value as provided in Section 6 of the Charter or with respect to renewal or purchase options under Section 18 of the Charter;

(e) *Amendments, Waivers, etc.* So long as no Event of Default hereunder has occurred and is continuing, the Owner will retain and share with the Security Trustee, but not to the exclusion of the Security Trustee, the right to exercise the rights, elections and options of the Owner to make any decision or determination, to consent to any amendment, supplement or modification and to give any notice, consent, waiver, or approval under the Charter or which any other Operative Agreement confers upon the Owner, and upon the occurrence and continuance of an Event of Default, all such rights shall be exercised solely by the Security Trustee; and

(f) *Excepted Rights in Collateral.* The Owner will retain, to the exclusion of the Security Trustee, all rights to Excepted Rights in Collateral, including the right to commence an action at law to obtain Excepted Rights in Collateral; *provided*, that the Owner shall not obtain any Lien on the Vessel or any other part of the Collateral by reason of the exercise of any such rights, and that no claim or judgment against the Charterer or any other Person for the payment of any Excepted Rights in Collateral shall impair the Lien or security interest held by the Security Trustee hereunder.

Nothing contained in this Section 5.3 or elsewhere in this Security Agreement shall be deemed to limit the exclusive right of the Security Trustee, as assignee of the Owner, to (i) give any notice of default permitted to be given by the Owner under Section 13 of the Charter or (ii) declare the Charter to be in default under Section 13 and 14 of the Charter and/or terminate the Charter or exercise any other remedies pursuant to Section 14 of the Charter upon the occurrence of an Event of Default thereunder.

Section 5.4. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon and all other sums required to be paid by the Owner pursuant to this Security Agreement, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use any Note or Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereon out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

Section 5.5. Waiver by Owner. To the extent now or at any time hereafter enforceable under applicable law, the Owner covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisement of the Collateral or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every Person, except decree or judgment creditors of the Owner acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Security Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Section 5.6. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claims and demands whatsoever, either at law or in equity, of the Owner in and to the Property sold and shall be a perpetual bar, both at law and in equity, against the Owner, its successors and assigns, and against any and all Persons claiming the Property sold or any part thereof under, by or through the Owner, its successors or assigns.

Section 5.7. Application of Sale and Other Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper compensation or fees, expenses, liability and advances, including legal expenses and attorneys' fees, owed to, incurred or made by the Security Trustee under this Agreement, or the holder or holders of the Notes and of

all taxes, assessments or liens superior to the Lien of these presents, except any taxes, assessments or other superior Lien subject to which said sale may have been made;

Second, to the payment of the whole amount then due, owing and unpaid upon the Notes for principal and interest and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest, with application on each Note to be made, first, to the unpaid principal thereof, and second, to unpaid interest thereon; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

Third, to the payment of the surplus, if any, to the Owner, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 5.8. Discontinuance of Remedies. In case the Security Trustee shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Owner, the Security Trustee and the holders of the Notes shall be restored to their former positions and rights hereunder with respect to the Property subject to the lien and security interest created under this Security Agreement.

Section 5.9. Cumulative Remedies. No delay or omission of the Security Trustee or of the holder of any Note to exercise any right or power arising from any Default, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such Default. No waiver by the Security Trustee or the holder of any Note of any such Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default, or to impair the rights resulting therefrom except as may be otherwise provided therein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Secured Indebtedness operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Security Trustee or the holder of any Note be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

Section 5.10. General Powers of the Security Trustee. (a) In the event that any Vessel shall be arrested or detained by a Marshall or other officer of any court of law, equity or admiralty jurisdiction in any country or nation of the world or by any government or other authority and shall not be released from arrest or detention within ten (10) days from the date of arrest or detention, the Owner does hereby authorize and empower the Security Trustee, in the name of the Owner, or its successors or assigns, subject to the then existing rights, if any, of the Charterer under the Charter, to apply for and receive possession of and to take possession of such Vessel with all rights and powers that the Owner, or its successor

or assigns, might have, possess or exercise in any such event; and this power of attorney shall be irrevocable and may be exercised not only by the Security Trustee hereinabove named but also by an appointee or appointees, with full power of substitution, to the same extent as if the said appointee or appointees had been named as one of the attorneys above named by express designation.

(b) The Owner also authorized and empowers the Security Trustee or its appointees or any of them to appear in the name of the Owner, its successors or assigns, in any court of any country or nation of the world where a suit is pending against any Vessel because of or on account of any alleged lien against such Vessel from which such Vessel has not been released and to take such action as it may deem proper towards the defense of such suit and the discharge of such lien, and all expenditures made or incurred by it for the purpose of such defense or discharge shall be a debt due from the Owner, its successors or assigns, to the Security Trustee, and shall be secured by the lien of this Security Agreement in like manner and extent as if the amount and description thereof were written herein.

SECTION 6. THE SECURITY TRUSTEE.

The Security Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Owner and the respective holders of the Notes at any time outstanding by their acceptance thereof agree:

Section 6.1. Duties of Security Trustee. The Security Trustee undertakes (i) except while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Security Agreement, and (ii) while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to exercise such of the rights and powers as are vested in it by this Security Agreement and to use the same degree of care and skill in their exercise as an ordinary prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Security Trustee upon receipt of instruments furnished to the Security Trustee pursuant to the provisions of this Security Agreement, shall examine the same to determine whether or not such instruments conform to the requirements of this Security Agreement.

Section 6.2. Security Trustee's Liability. No provision of this Security Agreement shall be construed to relieve the Security Trustee from liability for its own negligent action, negligent failure to act, or its own willful misconduct, except that:

(a) unless an Event of Default actually known to the Security Trustee shall have occurred and be continuing, the Security Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Security Agreement and no implied covenants or obligations shall be read into this Security Agreement against the Security Trustee but the duties and obligations of the Security Trustee shall be determined solely by the express provisions of this Security Agreement;

(b) in the absence of bad faith on the part of the Security Trustee, the Security Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any resolution, Officer's Certificate, opinion of counsel, Note, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report, stock certificate, or other paper or document believed by the Security Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties;

(c) in the absence of bad faith on the part of the Security Trustee, whenever the Security Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate and the Security Trustee shall not be under any duty to conduct an independent investigation of any such matter; *provided*, however, that the Security Trustee, or such agent, representative, expert or counsel, may, but shall not be obligated to, require such further and additional evidence and make such further investigation as it or they may consider reasonable;

(d) the Security Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel;

(e) the Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the holders of the Notes;

(f) the Security Trustee shall not be liable for any error of judgment made in good faith by an officer of the Security Trustee unless it shall be proved that the Security Trustee was grossly negligent in ascertaining the pertinent facts;

(g) the Security Trustee shall not be deemed to have knowledge of any Default or Event of Default unless and until an officer of the Corporate Trust Department of the Security Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Security Trustee shall have received written advice thereof from the holder of any Note or the Owner;

(h) whether or not an Event of Default shall have occurred, the Security Trustee shall not be under any obligation or take any action under this Security Agreement which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the Security afforded to it by the terms of this Security Agreement unless and until it is requested in writing so to do by one or more holders of Notes outstanding hereunder

and furnished, from time to time as it may require, with reasonable security and indemnity; and

(i) whether or not an Event of Default shall have occurred and without limiting the provisions of Section 5.2(a) hereof, whenever it is provided in this Security Agreement that the Security Trustee consent to any act or omission by any Person or that the Security Trustee exercise its discretion in any manner, the Security Trustee may (but need not) seek the written acquiescence of the holders of at least 66-2/3% in principal amount of the Notes then outstanding and, unless written evidence of such acquiescence has been received by the Security Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion, *provided*, however, that holders of 66-2/3% in principal amount of the Notes from time to time outstanding shall have the right, upon furnishing to the Security Trustee such indemnification as the Security Trustee shall reasonably request, by an instrument in writing delivered to the Security Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Security Agreement for the enforcement thereof or of the Notes; *provided*, however, that the Security Trustee shall have the right to decline to follow any such direction if the Security Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be unjustly prejudicial to holders of Notes not parties to such direction.

Section 6.3. No Responsibility of Security Trustee for Recitals. The recitals and statements contained herein, and in the Notes (except for the Security Trustee's certificate of authentication endorsed on the Notes) shall be taken as the recitals and statements of the Owner, and the Security Trustee assumes no responsibility for the correctness of the same, nor shall the Security Trustee have any responsibility for or any liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Notes by the Owner or by any other Person. The Security Trustee makes no representation as to the validity or sufficiency of this Security Agreement or of the Notes secured hereby, the security hereby or thereby afforded, the title of the Owner to the Collateral or the descriptions thereof, or the filing or recording or registering of this Security Agreement or any other document. The Security Trustee shall not be concerned with or accountable to any Person for the use or application of any deposited moneys which shall be released or withdrawn in accordance with the provisions of this Security Agreement or of any Property or Securities or the proceeds thereof which shall be released from the Lien hereof in accordance with the provisions of this Security Agreement.

Section 6.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification. Except to the extent otherwise expressly provided in the Operative Agreements, the Security Trustee shall have no right against the holder of any Note for the payment of compensation for its services hereunder or any expenses or disbursements incurred in connection with the exercise and performance of its powers and duties hereunder or any indemnification against liabilities which it may incur in the exercise and performance

of such powers and duties but, on the contrary, shall look solely to the Owner under Section 2.1 of the Participation Agreement and the Charterer under Sections 2.2 and 6 of the Participation Agreement for such payment and indemnification, and it shall have no Lien on or security interest in the Collateral as security for such compensation, expenses, disbursements and indemnification except to the extent provided for in Section 5.7.

Section 6.5. Status of Moneys Received. (a) All moneys received by the Security Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but (except as herein otherwise provided with respect to the funds referred to in paragraph (b) of this Section) need not be segregated in any manner from any other moneys, except to the extent required by law, and may be deposited by the Security Trustee under such general conditions as may be prescribed by law in the Security Trustee's general banking department, and the Security Trustee shall be under no liability for interest on any moneys received by it hereunder. The Security Trustee and any affiliated corporation may become the owner of any Note secured hereby and be interested in any financial transaction with the Owner or any affiliated corporation, or the Security Trustee may act as depositary or otherwise in respect to other Securities of the Owner or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

(b) The Security Trustee may invest and reinvest any funds from time to time held by the Security Trustee in direct obligations of the United States of America or obligations for which the full faith and credit of the United States is pledged to provide for the payment of principal and interest, maturing not more than 90 days from the date of such investment. Upon any sale or payment of any investment, the proceeds thereof, plus any interest received by the Security Trustee thereon shall be held by the Security Trustee as part of the fund from which such investment was made for application as a part of such fund.

Section 6.6. Resignation of Security Trustee. The Security Trustee may resign and be discharged from the trusts created hereby by delivering notice thereof, by first-class mail postage prepaid to the Owner and all holders of the Notes at the time outstanding, specifying a date (not earlier than 60 days after the date of such notice) when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor Security Trustee shall have been appointed as provided in Sections 6.8 and 6.9, in which event such resignation shall take effect immediately upon the appointment of such successor Security Trustee, *provided*, however, that no such resignation shall be effective hereunder unless and until a successor Security Trustee shall have been appointed and shall have accepted such appointment as provided in Sections 6.8 and 6.9.

Section 6.7. Removal of Security Trustee. The Security Trustee may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the holders of a majority in aggregate principal amount of the Notes (other than the Security Trustee) at the time outstanding and delivered to the Security Trustee with a copy to the Owner and to the Charterer, specifying the removal and the date when it shall take effect *provided, however*, that no such removal shall be effective hereunder unless and until a

successor Security Trustee shall have been appointed and shall have accepted such appointment as provided in Sections 6.8 and 6.9.

Section 6.8. Appointment of Successor Security Trustee. In case at any time the Security Trustee shall resign or be removed or become incapable of acting, a successor Security Trustee may be appointed by the holders of a majority in aggregate principal amount of the Notes (other than the Security Trustee) at the time outstanding, by an instrument or instruments in writing executed by such Noteholders and filed with such successor Security Trustee, the Owner and the Charterer. Until a successor Security Trustee shall be so appointed by the Noteholders, the Owner shall appoint a successor Security Trustee to fill such vacancy, by an instrument in writing executed by the Owner and delivered to the successor Security Trustee. If all or substantially all of the Collateral shall be in the possession of one or more receivers, trustees, custodians, liquidators or assignees for the benefit of creditors, then such receivers, trustees, custodians, liquidators or assignees may, by an instrument in writing delivered to the successor Security Trustee, appoint a successor Security Trustee. Promptly after any such appointment, the Owner, or any such receivers, trustees, custodians, liquidators or assignees, as the case may be, shall give notice thereof by first class mail postage prepaid to each holder of the Notes at the time outstanding. Any successor Security Trustee so appointed by the Owner, or such receivers, trustees, custodians, liquidators or assignees, shall immediately and without further act be superseded by a successor Security Trustee appointed by the holders of a majority in aggregate principal amount of the Notes (other than the Security Trustee) then outstanding. If a successor Security Trustee shall not be appointed pursuant to this Section within sixty days after the resignation or removal of the retiring Security Trustee, the holder of any Note (other than the retiring Security Trustee) or such retiring Security Trustee (unless the retiring Security Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Security Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Security Trustee.

Section 6.9. Succession of Successor Security Trustee. Any successor Security Trustee appointed hereunder shall execute, acknowledge and deliver to the Owner and the predecessor Security Trustee an instrument accepting such appointment, and thereupon such successor Security Trustee, without any further act, deed, conveyance or transfer, shall become vested with the title to the Collateral, and with all the rights, powers, trusts, duties and obligations of the predecessor Security Trustee in the trust hereunder, with like effect as if originally named as Security Trustee herein. Upon the request of any such successor Security Trustee, however, the Owner and the predecessor Security Trustee shall execute and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Security Trustee its interest in the Collateral and all such rights, powers, trusts, duties and obligations of the predecessor Security Trustee hereunder, and the predecessor Security Trustee shall also assign and deliver to the successor Security Trustee any Property subject to the lien of this Security Agreement which may then be in its possession.

Section 6.10. Eligibility of Security Trustee. The Security Trustee shall be a state or national bank or trust company in good standing, organized under the laws of the United

States of America or of any State, having a capital, surplus and undivided profits aggregating at least $100,000,000 and being a trustee approved by the Maritime Administrator pursuant to Chapter 313 of Title 46, United States Code, as amended, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms. In case the Security Trustee shall cease to be eligible in accordance with the provisions of this Section, the Security Trustee shall resign immediately in the manner and with the effect specified in Section 6.6.

Section 6.11. Successor Security Trustee by Merger. Any corporation into which the Security Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Security Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Security Trustee as a whole or substantially as a whole, if eligible as provided in Section 6.10, shall be the successor of the Security Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

Section 6.12. Co-Trustees. At any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Owner and, upon the written direction of the holders of 66 2/3% in principal amount of the Notes then outstanding, the Security Trustee jointly shall have power and shall execute and deliver all instruments, to appoint one or more Persons approved by the Security Trustee, to act as co-trustee, or co-trustees, jointly with the Security Trustee, or separate trustee or separate trustees, of all or any part of the Collateral, and to vest in such Person or Persons in such capacity, such interest in the Collateral or any part thereof, and such rights, powers, duties, trusts or obligations as the Owner and the Security Trustee may consider necessary or desirable. If the Owner shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Security Trustee alone shall have power to make such appointment.

SECTION 7. LIMITATIONS OF LIABILITY.

Anything in this Security Agreement to the contrary notwithstanding, neither the Security Trustee nor the holder of any Note nor the successors or assigns of any of said Persons, shall have any claim, remedy or right to proceed (at law or in equity or in admiralty) against the Owner in its individual corporate capacity or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, agent, employee, officer or director of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any penalty or assessment or otherwise, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by the Notes or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever in this Security Agreement, from any source other than the Collateral, including the Charter Hire, other than Excepted Rights in Collateral. The Security Trustee by the execution of this Security Agreement and the holders of the Notes by acceptance thereof, waive and release any personal liability of the

Owner in its individual corporate capacity and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, agent, employee, officer or director of the Owner for and on account of such indebtedness or such liability, and the Security Trustee and the holders of the Notes agree to look solely to the Collateral, including the Charter Hire, other than Excepted Rights in Collateral, for the payment of said indebtedness or the satisfaction of such liability; *provided, however*, nothing herein contained shall limit, restrict or impair the rights of the holders of the Notes or the Security Trustee to accelerate the maturity of the Notes upon an Event of Default under this Security Agreement; to bring suit and obtain a judgment against the Owner on the Notes (*provided* that the Owner shall not have any personal liability on any such judgment and the satisfaction thereof shall be limited to the property mortgaged or assigned by the Owner as Security therefor, including any interest therein of the Owner); to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral; or to bring suit and obtain a judgment against the Owner for damages resulting from the willful misconduct of the Owner. It being understood and agreed that, except as set forth in the immediately preceding sentence, the Owner shall not be subject to personal liability for any of its undertakings set forth in this Security Agreement.

SECTION 8. SUPPLEMENTS; WAIVERS.

Section 8.1. Supplemental Security Agreements Without Noteholder Consent. The Owner and the Security Trustee from time to time and at any time, subject to the restrictions in this Security Agreement contained, may enter into an agreement or agreements supplemental hereto, which thereafter shall form a part hereof, for any one or more or all of the following purposes:

(a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon the Owner;

(b) to subject to the Lien of this Security Agreement additional Property hereafter acquired by the Owner and intended to be subjected to the Lien of this Security Agreement and to correct and amplify the description of the Collateral; and

(c) to permit the qualification of this Security Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, except that nothing herein contained shall permit or authorize the inclusion of the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939 or any corresponding provision in any similar Federal statute hereafter in effect;

and the Owner covenants to perform all requirements of any such supplemental agreement. No restriction or obligation imposed upon the Owner may, except as otherwise provided in this Security Agreement, be waived or modified by any such supplemental agreement.

Section 8.2. Supplements to Charter Without Noteholder Consent. The Security Trustee from time to time and at any time, subject to the restrictions in this Security

Agreement contained, may, without Noteholder consent, consent to any amendment of or supplement to the Charter for any one of the following purposes:

(a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon the Charterer; and

(b) to adjust the Basic Charter Hire, Stipulated Casualty Values, Termination Values and factor used in calculating the Option Purchase Price payable under the Charter pursuant to Sections 6, 10 and 11 thereof and subject to all of the conditions set forth in said Sections 6, 10 and 11; *provided, however*, that on or before the effective date of any amendment of or supplement to the Charter pursuant to the provisions of this paragraph (b), the Security Trustee shall have received an Officer's Certificate of the Charterer addressed to the holders of the Notes and the Security Trustee, to the effect that, giving effect to such supplement, the amount of Basic Charter Hire payable on each Charter Hire Payment Date under the Charter equals or exceeds the amount payable on such date for principal and accrued interest on all the Notes, and the amount of Stipulated Casualty Value, Termination Value and Option Purchase Price payable on any date under the Charter equals or exceeds the unpaid principal amount of all the Notes and accrued interest thereon after giving effect to the payment of Basic Charter Hire on such date, which Certificate shall set forth sufficient detailed information to demonstrate the matters covered in this proviso.

No restriction or obligation imposed upon the Charterer may, except as otherwise provided in this Security Agreement, be waived or modified by any such supplement to the Charter.

Section 8.3. Waivers and Consents by Noteholders; Supplemental Security Agreements and Supplemental Mortgages With Noteholders' Consent. Upon the waiver or consent of the holders of at least 66-2/3% in aggregate principal amount of the Notes then outstanding (a) the Owner may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Security Agreement or any agreement supplemental thereto or the Operative Agreements, or (b) the Owner and the Security Trustee may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or modifying in any manner the rights and obligations of the holders of the Notes and the Owner; *provided, however*, that no such waiver or supplemental agreement shall (i) impair or affect the right of any holder to receive payments or prepayments of the principal of and payments of the interest and Make-Whole Premium Amount, if any, on its Note, as therein and herein provided, without the consent of such holder, (ii) permit the creation of any Lien with respect to any of the Collateral, without the consent of the holders of all the Notes at the time outstanding, (iii) effect the deprivation of the holder of any Note of the benefit of the Lien of this Security Agreement upon all or any part of the Collateral without the consent of such holder, (iv) reduce the aforesaid percentage of the aggregate principal amount of Notes, the holders of which are required to consent to any such waiver or supplemental agreement pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding, or (v) modify the rights, duties or immunities of the Security Trustee

without the consent of the Security Trustee and the holders of all of the Notes at the time outstanding.

Section 8.4. Notice of Supplements. Promptly after the execution by the Owner and the Security Trustee of any waiver, consent or supplemental agreement pursuant to the provisions of Section 8.1, 8.2 or 8.3, the Security Trustee shall give written notice, setting forth in general terms the substance of such waiver, consent or supplemental agreement, together with a conformed copy thereof, mailed first-class postage prepaid, to each holder of the Notes at its address set forth in the Register. Any failure of the Security Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such waiver, consent or supplemental agreement.

Section 8.5. Opinion of Counsel Conclusive as to Supplements. The Security Trustee is hereby authorized to join with the Owner in the execution of any such waiver, consent or supplemental agreement authorized or permitted by the terms of this Security Agreement and to make the further agreements and stipulations which may be therein contained, and the Security Trustee may receive an opinion of counsel selected by the Security Trustee (which may be counsel for the Charterer or the Owner) as conclusive evidence that any waiver, consent or supplemental agreement executed pursuant to the provisions of this Section 8 complies with the requirements of this Section 8.

SECTION 9. POSSESSION AND USE OF PROPERTY.

So long as no Event of Default has occurred and is continuing, the Owner shall be suffered and permitted to remain in full possession, enjoyment and control of the Vessels and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; *provided, always*, that the possession, enjoyment, control and use thereof shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Vessels by the Charterer under and subject to the Charter shall not constitute a violation of this Section 9, and so long as no Event of Default under the Charter shall have occurred and be continuing, the Charterer shall be suffered and permitted to remain in full possession, enjoyment and control of the Vessels and to manage, operate and use the same and each part thereof with the rights and franchises pertaining thereto and on the terms and conditions and subject to the limitations set forth in the Charter.

SECTION 10. MISCELLANEOUS.

Section 10.1. Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Owner or by or on behalf of the Security Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

Section 10.2. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.3. Communications. All communications provided for herein shall be in writing. Communications to the Owner or the Security Trustee shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when addressed and delivered in person, or five days after being deposited in the U.S. mail, postage prepaid, by registered or certified mail, as follows:

If to the Owner:	CARGILL LEASING CORPORATION 15407 McGinty Road West Wayzata, MN 55391 Attention: General Manager
If to the Security Trustee:	CoreStates Bank, N.A. 510 Walnut Street Philadelphia, Pennsylvania 19106 Attention: Corporate Trust Department

or to the Owner or the Security Trustee at such other address as the Owner or the Security Trustee may designate by notice duly given in accordance with this Section to the other. Communications to any Noteholder shall be deemed to have been given (unless otherwise provided for by the specific provisions hereof in respect of any matter) when delivered personally or five days after being deposited in the United States mail, registered or certified, postage prepaid, addressed to such Noteholder at its address set forth in the Register.

Section 10.4. Release. The Security Trustee shall release this Security Agreement and the Liens granted thereby by proper instrument or instruments upon presentation of satisfactory evidence that all Secured Indebtedness has been fully paid or discharged. The Security Trustee shall also deliver all Notes to the Owner.

Section 10.5. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

Section 10.6. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of New York (without regard to its conflict of laws provisions).

Section 10.7. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Owner has caused this Security Agreement to be executed, and CoreStates Bank, N.A., in evidence of its acceptance of the trusts hereby created, has caused this Security Agreement to be executed on its behalf by one of its duly authorized officers.

CARGILL LEASING CORPORATION

By _____
Its Vice President

OWNER

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

On this 29th day of May, 1991, before me personally appeared Philip J. Martini to me personally known, who being by me duly sworn, says that he is the Vice President of CARGILL LEASING CORPORATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires: 4/9/93

SANDRA L. CAMPOS
NOTARY PUBLIC - MINNESOTA
HENNEPIN COUNTY
My commission expires 4/9/93

CORESTATES BANK, N.A.

By Nancy J Rand
Its Assistant Vice President
SECURITY TRUSTEE

STATE OF Illinois)
) SS
COUNTY OF Cook)

On this 30th day of May, 1991, before me personally appeared Nancy J. Rand, to me personally known, who being by me duly sworn, says that she is the Assistant Vice President of CORESTATES BANK, N.A., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Linda J Webster
Notary Public

OFFICIAL SEAL
LINDA J. WEBSTER
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. JUNE 21,1992

[NOTARIAL SEAL]

My commission expires: _____

DEFINITIONS

ANNEX I

DEFINITIONS

General Provisions

The following terms shall have the following meanings for all purposes of the Operative Agreements referred to below, unless otherwise defined in an Operative Agreement or the context thereof shall otherwise require. In the case of any conflict between the provisions of this Definition Annex and the provisions of the main body of any Operative Agreement, the provisions of the main body of such Operative Agreement shall control the construction of such Operative Agreement.

Unless the context otherwise requires, (i) references to agreements shall be deemed to mean and include such agreements as the same may be amended and supplemented from time to time, and (ii) references to parties to agreements shall be deemed to include the successors and permitted assigns of such parties.

Defined Terms

"Acquisition Cost" of any Vessel shall mean an amount equal to the invoice price of the Charterer (less any discounts or credits actually utilized by the Owner), and such other costs as may be agreed to by the Owner and the Charterer in writing. The Acquisition Cost shall be as stated, and as agreed, in the respective Charter Supplement.

"Advance Amount" shall have the meaning set forth in Section 9.11 of the Participation Agreement.

"Affiliate" shall mean a Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under a common control with, the Charterer, (ii) which owns or holds 5% or more (by number of votes) of any class of the Voting Stock of the Charterer or (iii) 5% or more (by number of votes) of the Voting Stock (or in the case of a Person which is not a corporation, 5% or more of the equity interest) of which is beneficially owned or held by the Charterer or a Subsidiary. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"After-tax" or *"after-tax basis"* shall have the meaning set forth in the Tax Indemnity Agreement.

"Appraisal Procedure" shall have the meaning specified in Section 18(c) of the Charter Agreement.

"Assigned Agreements" shall mean the Charter Agreement (together with all Charter Supplements), the Bill of Sale, the Guaranty Agreement and all other agreements referred to in Recital I of the Security Agreement.

"Basic Charter Hire" shall mean all charter hire payable pursuant to Section 6 of the Charter Agreement during the Basic Term (other than on the Basic Term Commencement Date).

"Basic Term" shall mean the period beginning on the Basic Term Commencement Date and ending on August 28, 2009.

"Basic Term Commencement Date" shall mean August 28, 1991.

"Bill of Sale" shall have the meaning specified in Section 4.1(a) of the Participation Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banking institutions in Delaware, Texas, Minnesota or Pennsylvania are authorized or required to remain closed.

"Charter" or *"Charter Agreement"* shall mean the Charter Agreement dated as of May 15, 1991 between the Owner, as owner, and the Charterer, as charterer.

"Charterer" shall mean Conoco Inc., a Delaware corporation, and any corporation which succeeds thereto by merger or consolidation or which acquires all or substantially all of the assets thereof.

"Charterer Agreements" shall mean the Operative Agreements to which the Charterer is a party.

"Charterer's Certificate of Cost" shall have the meaning specified in Section 4.1(c) of the Participation Agreement.

"Charter Hire" shall mean (i) all Charter hire payable pursuant to Sections 5 and 6 of the Charter for the Basic Term and for any Renewal Term and (ii) Supplemental Payments.

"Charter Hire Payment Dates" shall mean November 28, 1991 and the twenty-eighth day of each February, May, August and November thereafter during the Term of the Charter.

"Charter Supplement" shall mean the Charter Supplement, substantially in the form of Exhibit B to the Charter Agreement, entered into between the Owner and the Charterer, covering each Vessel.

"Class" shall mean either oil barges or hot oil barges.

"Closing Date" shall have the meaning specified in Section 1.3 of the Participation Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean the Vessels and the other Properties mortgaged, assigned, pledged and hypothecated unto the Security Trustee in the Recitals to the Security Agreement.

"Default" under the Charter Agreement shall mean any event which would constitute an Event of Default under the Charter Agreement if any requirement in connection therewith for the giving of notice or the lapse of time, or the happening of any further condition, event or act, had been satisfied.

"Default" under the Security Agreement shall mean any event which would constitute an Event of Default under the Security Agreement if any requirement in connection therewith for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, had been satisfied.

The term *"employee benefit plan"* has the meaning specified in Section 3 of ERISA.

The term *"employer securities"* has the meaning specified in Section 407(d)(1) of ERISA.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor law.

"Event of Default" under the Charter Agreement is defined in Section 13 thereof.

"Event of Default" under the Security Agreement is defined in Section 5.1 thereof.

"Event of Loss" shall have the meaning specified in Section 11 of the Charter Agreement.

"Excepted Rights in Collateral" shall mean the following described properties, rights, interests and privileges:

(a) the right of the Owner to assent to a Permitted Contest under the Charter but not to the exclusion of any other affected party;

(b) the right of the Owner, jointly with the Security Trustee, to negotiate the level of appropriate environmental liability insurance coverage pursuant to the second sentence of Section 9 of the Charter;

(c) all payments of any indemnity under the Tax Indemnity Agreement and Section 6 of the Participation Agreement which by the terms thereof are payable to the Owner for its own account whether paid by the Charterer or the Guarantor;

(d) any insurance proceeds payable under general public liability policies maintained by the Charterer pursuant to the terms of the Charter which by the terms

of such policies or the terms of the Charter are payable directly to the Owner for its own account;

(e) all rights of the Owner under the Charter or the Guaranty Agreement to demand, collect, sue for or otherwise obtain all amounts from the Charterer or the Guarantor due the Owner or on account of any such indemnities or payments referred to in paragraph (b) above and to seek legal or equitable remedies to require the Charterer to maintain the insurance coverage referred to in paragraph (c) above;

(f) if an Event of Default under the Charter based solely on a breach of any covenant of the Charterer to pay any indemnity referred to in paragraph (b) above or to maintain any insurance referred to in paragraph (c) above shall occur and be continuing, the right of the Owner to exercise the remedies, but only those remedies, provided for in Section 14(a)(i) of the Charter, to enforce performance by the Charterer of any covenants of the Charterer to pay any such indemnity or payment directly to the Owner or to maintain such insurance or recover damages for the breach of any such covenant;

provided that in all events, the rights described in clauses (e) and (f) above shall be limited in the manner provided in the final paragraph of Section 5.3 of the Security Agreement.

"Guarantor" shall mean E.I. du Pont de Nemours and Company, a Delaware corporation.

"Guaranty Agreement" shall mean that certain Guaranty Agreement dated as of May 15, 1991 executed by the Guarantor.

"Interim Term" with respect to a Vessel shall mean the period commencing with the Interim Term Commencement Date for such Vessel and ending on the Basic Term Commencement Date.

"Interim Term Commencement Date" with respect to a Vessel shall mean the date of delivery and acceptance of such Vessel as evidenced by the delivery of a Charter Supplement.

"Lien" shall mean any mortgage, pledge, security interest, lien, encumbrance or other charge of any kind on Property.

"Loan Value" with respect to each Vessel shall have the meaning specified in Section 3.1(c) of the Security Agreement.

"Make-Whole Premium Amount" shall mean, as of the date of any determination thereof, the excess, if any, of (A) the aggregate present value as of such date of each dollar of principal being prepaid (taking into account the application of such prepayment to be made on such date) and the amount of interest that would have accrued thereafter in respect of such dollar if such prepayment had not been made (determined by discounting such

amounts at the Reinvestment Yield from the respective dates on which such principal and interest payments would have been payable) over (B) the outstanding principal amount of such Notes being prepaid. To the extent that the Reinvestment Yield at the date of any determination is equal to or higher than 9.03%, the Make-Whole Premium Amount shall be zero.

"Manufacturer" shall mean in the case of the hot oil barges, Nashville Bridge Company and in the case of the oil barges, Jeffboat, a Division of American Commercial Marine Service Company.

"Net Economic Return" shall mean Owner's nominal after-tax yield, periodic FASB 13 earnings and aggregate after-tax cash flow as a percentage of Owner's equity investment, all determined by using the multiple investment sinking fund method.

"Noteholder" or *"holder"* shall mean the registered holder of any Note issued and outstanding under the Security Agreement.

"Note Purchaser" shall mean State Farm Life Insurance Company and its successors and assigns, including successive holders of the Notes.

"Notes" shall mean the 9.03% Secured Notes due February 28, 2007 of the Owner substantially in the form attached to the Security Agreement.

"Officer's Certificate" shall mean a certificate signed in the case of a corporation by the Chairman of the Board, the President or any Vice President of such corporation, in the case of a partnership including at least one corporate general partner by the Chairman of the Board, the President or any Vice President of a corporate general partner in the case of any other partnership by a general partner, and in the case of a commercial bank or trust company, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors or Trustees, the President, any Vice President, the Secretary, the Treasurer, any Trust Officer, any Executive or Senior or Second or Assistant Vice President, or any other officer or assistant officer customarily performing the functions similar to those performed by the persons who at the time shall be such officers, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Operative Agreements" shall mean and include the Participation Agreement, the Charter, the Charter Supplements, the Bill of Sale, the Notes outstanding at the time of reference, the Security Agreement, the Tax Indemnity Agreement, and the Guaranty Agreement.

"Option Purchase Price" shall have the meaning set forth in Section 10(c) of the Charter.

"Overdue Rate" shall mean 11.03% unless otherwise prohibited by law, in which case interest will be charged at the highest lawful rate allowed.

"Owner" shall mean Cargill Leasing Corporation, a Delaware corporation and its successors and permitted assigns of its Owner's Interest.

"Owner Agreements" shall mean the Operative Agreements to which the Owner is a party.

"Owner's Interest" shall mean the interest of the Owner under the Operative Agreements.

"Owner's Liens" shall mean any Lien which results from claims against the Owner unrelated to the transactions contemplated by the Operative Agreements; provided, however, that any Lien which is attributable solely to Owner and would otherwise constitute an Owner's Lien hereunder shall not constitute an Owner's Lien hereunder so long as (i) the existence of such Lien poses no material risk of sale, forfeiture, loss or seizure of the Vessels or any part or item thereof, (ii) the existence of such Lien does not interfere in any material respect with the use or operation of the Vessels by the Charterer, (iii) the existence of such Lien does not affect the priority or perfection of the Security Agreement or the Lien of the Security Trustee, (iv) Owner is diligently contesting such Lien, and (v) the existence of such Lien does not result in threatened or actual interruption in the payment of Charter Hire assigned to the Security Trustee for the benefit of the holders of the Notes.

"Participants" shall mean the Note Purchaser and the Owner.

"Participation Agreement" shall mean the Participation Agreement dated as of May 15, 1991, among the Charterer, the Participants and the Security Trustee.

The term *"party in interest"* shall have the meaning specified in Section 3 of ERISA.

"Permitted Contest" shall mean a good faith contest conducted in a manner so as to prevent the imposition of any criminal penalty on, or adverse effect on the title, Property or right of, any indemnified party, of the legality or validity of any of the taxes, assessments, levies, fees or other governmental charges, or other claims, Liens or impositions which, under the terms of the Charter Agreement or the Participation Agreement, are required to be paid or discharged by the Charterer or the Owner, as the case may be, but for such contest.

"Permitted Encumbrances" with respect to any Vessel shall mean any Lien described in Section 15(b) of the Charter other than Owner's Liens.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

"Prime Rate" shall mean the rate of interest publicly announced from time to time by Citibank, N.A. in New York as its "base rate".

"Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Register" shall mean the register kept by the Owner at the principal office of the Security Trustee for the purpose of recording the registration and transfer of the Notes.

"Registered Note" shall mean any fully registered Note issued pursuant to the Security Agreement.

"Reinvestment Yield" shall mean the per annum interest rate which is the arithmetic mean of the daily rates published in the most recent weekly statistical release designated H.15(519) of the Federal Reserve System under the caption "U.S. Government Securities-Treasury Constant Maturities" (the "Statistical Release") or if the Statistical Release is not published, of such reasonably comparable index as may be designated by the holders of 66-2/3% in aggregate principal amount of the outstanding Notes (the "Comparable Index"), for the maturity corresponding to the remaining Weighted Average Life to Maturity of the Notes as of the date of such acceleration or prepayment, as the case may be, rounded to the nearest month. If no maturity exactly corresponds to such rounded Weighted Average Life to Maturity, yields for the two most closely corresponding published maturities shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Yield shall be interpolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Yield, the most recent Statistical Release or, if the Statistical Release is not published, the Comparable Index published prior to the date of determination hereunder shall be used.

"Renewal Charter Hire" shall mean all charter hire payable pursuant to Section 5 of the Charter Agreement during the Renewal Term, if any.

"Renewal Term" shall have the meaning specified in Section 5 of the Charter Agreement.

"Replacement Vessel" shall mean a Vessel substantially similar in material, dimension, condition and estimated useful life to the Vessel with respect to which an Event of Loss has occurred and which is being replaced pursuant to Section 11 of the Charter and in such condition and repair required by the Charter.

"Responsible Officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of any party contained in any Operative Agreement, the President, or any Vice President, Assistant Vice President, Treasurer, Assistant Treasurer or other officer who in the normal performance of his operational responsibility would have knowledge of such matter and the requirements with respect thereto.

"Secured Indebtedness" shall mean the outstanding Notes and all principal thereof (and Make-Whole Premium Amount, if any) and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Owner under the terms of the outstanding Notes or the Security Agreement.

"Security" shall have the same meaning as in Section 2(l) of the Securities Act of 1933, as amended.

"Security Agreement" shall mean the Security Agreement-Trust Deed dated as of May 15, 1991 between the Owner, as debtor, and the Security Trustee, as secured party.

"Security Agreement Supplement" shall mean any Security Agreement Supplement entered into by the Owner and the Security Trustee pursuant to Section 8 of the Security Agreement.

"Security Trustee" shall mean CoreStates Bank, N.A., and its successors in trust as security trustee under the Security Agreement.

The term *"separate account"* shall have the meaning specified in Section 3 of ERISA.

"Stipulated Casualty Value" shall mean for any Vessel, as of the Basic Term Commencement Date and any Charter Hire Payment Date during the Basic Term, the amount determined in accordance with Exhibit E to the Charter Agreement, and as of any Charter Hire Payment Date during the Renewal Term, if any, the amount determined in accordance with Section 5 of the Charter Agreement.

"Subsidiary" shall mean any corporation, trust or association of which more than 80% (by number of votes) of the Voting Stock at the time outstanding shall at the time be owned, directly or indirectly, by the Charterer or by any other corporation, association or trust which is itself a Subsidiary within the meaning of this definition, or collectively by the Charterer and any one or more such Subsidiaries.

"Supplemental Payments" shall mean all amounts, liabilities and obligations (other than Basic Charter Hire or Renewal Charter Hire) which the Charterer is obligated to pay under the Charter Agreement or any other Operative Agreements to the Owner or others, including, without limitation, Make-Whole Premium Amount, Stipulated Casualty Value, Termination Value, Option Purchase Price and Advance Amount payments.

"Taxes" shall have the meaning set forth in Section 6(a)(iv) of the Participation Agreement.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement dated as of May 15, 1991 between the Charterer and the Owner.

"Term" shall mean the full term of the Charter Agreement, including the Interim Term, the Basic Term and the Renewal Term, subject to the provisions of Sections 10 and 11 of the Charter Agreement.

"Termination Value" shall mean, as of the Basic Term Commencement Date and any Charter Hire Payment Date during the Basic Term, the amount determined in accordance with Exhibit D to the Charter Agreement, and as of any Charter Hire Payment Date during

the Renewal Term, if any, the amount determined in accordance with Section 5 of the Charter Agreement.

"Transaction Costs" shall mean all amounts paid or payable by the Owner pursuant to Section 2.1 of the Participation Agreement.

"Vessel" shall mean each of the hot oil barges and oil barges to be chartered under the Charter Agreement (as more specifically described in a Charter Supplement), together with all machinery, tanks, apparel, equipment, covers and all other appurtenances thereunto appertaining or belonging, and also any and all additions, improvements, modifications, accessions and replacements hereafter made in or to said barge, or any part thereof, or in or to her machinery, tanks, apparel, equipment, covers and other appurtenances aforesaid.

"Voting Stock" shall mean Securities of any class or classes of a corporation, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

"Weighted Average Life to Maturity" shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of the Notes by the then outstanding principal amount of the Notes. The term "Remaining Dollar-Years" of the Notes shall mean the amount obtained by (1) multiplying the amount of each of the then remaining required prepayments (and the repayment at final maturity) by the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity of the Notes and the date of each particular required prepayment or repayment, as the case may be, and (2) totalling all the products obtained in (1).

* * *

MANDATORY PREPAYMENTS OF THE NOTES

Prepayment Date	Prepayment as Percentage of Original Principal Amount
11/28/91	0.00000
2/28/92	0.00000
5/28/92	0.00000
8/28/92	0.00000
11/28/92	0.00000
2/28/93	0.00000
5/28/93	0.00000
8/28/93	0.63305
11/28/93	0.65610
2/28/94	0.67091
5/28/94	0.68606
8/28/94	0.70155
11/28/94	0.71738
2/28/95	0.73358
5/28/95	0.75014
8/28/95	0.76707
11/28/95	0.78439
2/28/96	0.80210
5/28/96	0.82021
8/28/96	0.83872
11/28/96	0.85766
2/28/97	0.87702
5/28/97	0.89682
8/28/97	0.91706
11/28/97	0.93777
2/28/98	0.95894
5/28/98	0.98058
8/28/98	1.00272
11/28/98	1.66965
2/28/99	1.70734
5/28/99	1.74588
8/28/99	1.78530
11/28/99	1.82560
2/28/00	1.86681
5/28/00	1.90896
8/28/00	1.95205
11/28/00	1.99612
2/28/01	2.04118
5/28/01	2.08726
8/28/01	2.13438
11/28/01	2.18256
2/28/02	2.23183
5/28/02	2.28222
8/28/02	2.33374
11/28/02	2.38642
2/28/03	2.44030
5/28/03	2.49539

SCHEDULE I
(to Security Agreement-Trust Deed)

Prepayment Date	Prepayment as Percentage of Original Principal Amount
8/28/03	2.55172
11/28/03	2.60932
2/28/04	2.66823
5/28/04	2.72847
8/28/04	2.79006
11/28/04	2.85305
2/28/05	2.91745
5/28/05	2.98332
8/28/05	3.05066
11/28/05	3.11953
2/28/06	3.18996
5/28/06	3.26197
8/28/06	3.33561
11/28/06	3.41091

DESCRIPTION OF VESSELS

Manufacturer	Class	Hull No.	Charterer Fleet No.	Delivery Date	First Load Date	Acquisition Cost
Jeffboat	Oil Barge	90-2289	7021	2/24/91	3/12/91	$1,122,782
Jeffboat	Oil Barge	90-2290	7022	3/11/91	3/28/91	1,122,782
Jeffboat	Oil Barge	90-2291	7023	4/04/91	4/16/91	1,122,782
Nashville Bridge Company	Hot Oil Barge	4013	7019	3/26/91	4/16/91	1,457,241
Nashville Bridge Company	Hot Oil Barge	4014	7020	4/18/91	4/28/91	1,457,241

SCHEDULE 2
(to Security Agreement-Trust Deed)

CARGILL LEASING CORPORATION
9.03% NON-RECOURSE SECURED NOTE
DUE FEBRUARY 28, 2007

No. R-

_____, 19_____

$

FOR VALUE RECEIVED, the undersigned, CARGILL LEASING CORPORATION (the "Owner"), promises to pay to

or registered assigns,
the principal sum of

DOLLARS ($_____)

and the Owner further promises to pay interest from the date hereof until maturity at the rate of 9.03% per annum (computed on the basis of a 360-day year of twelve consecutive 30-day months) on the unpaid principal hereof in installments as follows:

(i) One (1) installment of all accrued and unpaid interest only payable on August 28, 1991; followed by

(ii) Sixty-one (61) installments in the respective amounts set forth in the amortization schedule attached hereto, payable on November 28, 1991 and on the 28th day of each February, May, August and November thereafter to and including November 28, 2006; followed by

(iii) A final installment on February 28, 2007 in the amount equal to the entire principal and interest remaining unpaid hereunder as of said date; and

to pay interest at the rate of 11.03% per annum (computed on the same basis) on any overdue principal and (to the extent permitted by applicable law) overdue interest from the due date thereof until paid, payable on demand, all pursuant to the terms of the Security Agreement referred to below. Such principal and interest shall be payable upon presentation of this Note at the principal corporate trust office of CoreStates Bank, N.A. (the "Security Trustee") located at 510 Walnut Street, Philadelphia, Pennsylvania 19106, Attention: Corporate Trust Department, the Security Trustee under the Security Agreement-Trust Deed dated as of May 15, 1991 (herein, together with any supplements and amendments thereto, called the "Security Agreement"), from the Owner to the Security Trustee. Terms not otherwise defined herein shall have the meanings assigned thereto in the Security Agreement.

EXHIBIT A
(to Security Agreement-Trust Deed)

This Note is one of the Owner's 9.03% Non-Recourse Secured Notes due February 28, 2007, (the "Notes") which are equally and ratably secured by the Security Agreement. Reference is hereby made to the Security Agreement for a description of the property subject thereto, the nature and extent of the security for the Notes, the rights of the holders of the Notes, the Security Trustee and the Owner in respect of such security and otherwise and certain rights of the Owner, including the right to purchase the Notes, and the terms upon which the Notes are to be authenticated and delivered. As provided in the Security Agreement, the aggregate principal amount of Notes which may be issued thereunder shall not exceed $5,026,262.40.

This Note and any other Notes outstanding under the Security Agreement may be declared due prior to its and their expressed maturity date, all in the events, on the terms and in the manner provided for in the Security Agreement, and certain prepayments (which are required to be applied ratably on all outstanding Notes) are required to be made thereon. The Owner agrees to make the required prepayments on the Notes in accordance with the provisions of the Security Agreement. This Note is not subject to prepayment except on the terms and conditions provided for in the Security Agreement.

The terms and provisions of the Security Agreement and the rights and obligations of the Owner and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Security Agreement.

On and subject to the conditions contained in the Security Agreement, this Note is transferable by the registered holder hereof in person or by its duly authorized attorney on the Register (as defined in the Security Agreement) to be kept for the purpose at said principal corporate trust office of the Security Trustee. On and subject to the conditions contained in the Security Agreement, this Note is exchangeable for Notes of other denominations. The Owner and the Security Trustee may deem and treat the person in whose name a Note is registered on said Register as the absolute owner and holder hereof (whether or not this Note shall be overdue) for the purpose of receiving payment and for all other purposes, and neither the Owner nor the Security Trustee shall be affected by any notice to the contrary.

This Note and the Security Agreement shall be construed in accordance with and are governed by the laws of the State of New York (without regard to its conflict of laws provisions).

Anything in this Note to the contrary notwithstanding, neither the Security Trustee nor the holder hereof nor their respective successors or assigns shall have any claim, remedy or right to proceed (at law or in equity or in admiralty) against the Owner in its individual corporate capacity or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, agent, employee, officer or director of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any penalty or assessment or otherwise, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note from any source other than the property mortgaged or assigned by the Owner as security for the Notes; and the Security

Trustee and the holder hereof by its acceptance hereof, waive and release any personal liability of the Owner in its individual corporate capacity and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, agent, employee, officer or director of the Owner for and on account of such indebtedness and the Security Trustee and the holder of this Note agree to look solely to the property mortgaged or assigned by the Owner as security therefor for the payment of said indebtedness; *provided, however,* nothing herein contained shall limit, restrict or impair the rights of the Security Trustee to accelerate the maturity of this Note upon an Event of Default under the Security Agreement; to bring suit and obtain a judgment against the Owner on the Notes (*provided* that the Owner shall not have any personal liability on any such judgment and the satisfaction thereof shall be limited to the property mortgaged or assigned by the Owner as security therefor, including any interest therein of the Owner); to exercise all rights and remedies provided under the Security Agreement or otherwise realize upon the property mortgaged or assigned by the Owner as security for the Notes; or to bring suit and obtain a judgment against the Owner for damages resulting from the willful misconduct of the Owner. It being understood and agreed that, except as set forth in the immediately preceding sentence, the Owner shall not be subject to personal liability for any of its undertakings set forth in this Note.

This Note shall not be valid or become obligatory for any purpose unless and until the Certificate of Authentication hereon shall have been executed by the Security Trustee.

IN WITNESS WHEREOF, the Owner has caused this Note to be duly executed.

CARGILL LEASING CORPORATION

By_____
Its

AUTHENTICATION CERTIFICATE

This Note is one of the Notes described in the within-mentioned Security Agreement.

CORESTATES BANK, N.A., as Security
Trustee

By_____
Its