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DANIEL HOWARD NEELY  
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JOE T. TAYLOR III  
JAMES W. CULBRETH  
RICHARD G. MURPHY, JR.  
RICHARD C. BRADLEY III  
RONALD E. BARAB  
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LEON ADAMS, JR.  
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CABLE ADDRESS  
INTERJURIS

June 22, 1978

9459

RECORDATION NO. .... Filed & Recorded

JUN 23 1978 - 2 12 PM

~~INTERSTATE~~ COMMERCE COMMISSION

RECEIVED  
JUN 23 2 07 PM '78  
CERTIFICATION UNIT

\* NOT MEMBER GEORGIA BAR

Interstate Commerce Commission  
12th and Constitution, N.W.  
Room 1227  
Washington, D. C. 20036

Attention: Mildred Lee

Dear Ms. Lee:

Enclosed is an original, signed and notarized Deed to Secure Debt and Security Agreement between Direct Feed Mill Co., the debtor (mortgagor), and John Hancock Mutual Life Insurance Company, the secured party (mortgagee). Also enclosed is a true and accurate photocopy of same. The security instrument grants a security interest in or mortgage on certain collateral, including certain train equipment, of Direct Feed Mill Co. to John Hancock Mutual Life Insurance Company.

Direct Feed Mill Co.'s address is P.O. Box 558, Baldwin, Georgia, 30511. The address of John Hancock Mutual Life Insurance Company is One John Hancock Plaza, Boston, Massachusetts, 02117.

Also enclosed is a check for \$50.00 to cover the filing fee.

Please file the original of the Deed to Secure Debt and Security Agreement in the records of the ICC relating to mortgages on train equipment used in connection with interstate commerce. After filing the original, please mark the copy "Filed" and return it to me.

Thank you for your assistance.

Cordially,

*Ronald E. Barab*

Ronald E. Barab  
For the Firm

8-174A089

No. ....  
Date JUN 23 1978  
Fee \$ 50 .....

ICC Washington, D. C.

Enclosures  
/ps

*Ronald E. Barab*  
*Carolyn [unclear]*

**Interstate Commerce Commission**  
Washington, D.C. 20423

6/23/78

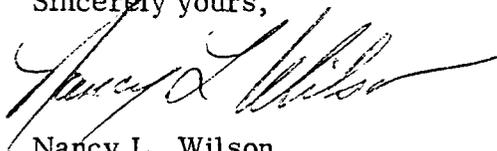
OFFICE OF THE SECRETARY

**Ronald E. Barab**  
**McClain, Mellen, Bowling & Hickman**  
**300 Peachtree Center South**  
**225 Peachtree Street, N.E.**  
**Atlantic, Georgia**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **6/23/78** at **2: 10pm** , and assigned recordation number(s) **9459**

Sincerely yours,



Nancy L. Wilson  
Acting Secretary

Enclosure(s)

STATE OF GEORGIA

COUNTY OF FULTON

RECORDATION NO. <sup>9459</sup> Filed & Recorded

JUN 23 1978 - 2 10 PM

**MULTISTATE COMMERCE COMMISSION**

DEED TO SECURE DEBT AND  
SECURITY AGREEMENT

THIS INDENTURE, made this 22 day of June, in the Year Nineteen Hundred Seventy-Eight by and between EARL RAY, JOE S. HATFIELD, JR. (a.k.a. JOE S. HATFIELD), THOMAS A. ARRENDALE, JR., WILLIAM LEE ARRENDALE (a.k.a. W. LEE ARRENDALE), HOWARD O. WATKINS, JR., RICHARD D. PALMER, THEODORE C. McCALL, JEROME WINFREY, JOHNNY M. BURKETT, JR., W. A. BEGGS (a.k.a. WALLACE A. BEGGS), LAWTON E. WOFFORD, JAMES W. WRIGHT, WILLIAM A. McCLAIN, THOMAS M. HENSLEY, JR., T. MICHAEL RIDDLE and KEITH E. RINEHART, each individually and doing business as DIRECT FEED MILL CO., a Georgia general partnership, hereinafter jointly and severally called "Grantor", and JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, a Massachusetts corporation, hereinafter called "Grantee",

W I T N E S S E T H:

That Grantor, for and in consideration of the sum of Three Million One Hundred Fifty Thousand and No/100 (\$3,150,000.00) Dollars in hand paid by Grantee, at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell and convey to Grantee all those certain tracts or parcels described on Exhibit A attached hereto and hereby made a part hereof,

TOGETHER with the buildings, structures, improvements, apparatus, chattels and fixtures now or hereafter erected or placed in or upon said real estate or now or hereafter attached to or used in connection with said real estate (excluding all inventory, accounts, contract rights, general intangibles, chattel paper, documents, instruments, and farm products, to the extent that the same do not constitute "Proceeds" or "Rents" as hereinafter defined, and excluding all rolling stock other than anything described in Exhibit B attached hereto and hereby made a part hereof), whether or not the same have or would become part of said real estate by attachment thereto, including without limiting the generality of the foregoing, all feed mill facilities, storage silos, warehouses, machinery, electric motors, conveyors, hydraulic lifts, railroad tracks and siding, furnaces, heaters, stoves, gas and electric light fixtures, refrigerating, ventilating, incinerating, garbage disposal, laundry, air conditioning apparatus and equipment, elevators, screens, screen doors, awnings, blinds, floor coverings, furniture, furnishings, gas and oil tanks and equipment, pipes, wires and plumbing and such other goods, chattels and personal property now or hereafter located within the improvements on the premises, together with all additions thereto and all replacements thereof and also all shrubbery or plants now located on or hereafter planted in the soil thereof, all of which shall to the extent permitted by law be considered as real estate and annexed to or forming a part of the freehold hereby conveyed,

TOGETHER with all and singular the tenements, hereditaments, easements and appurtenances thereunto or unto any part thereof now or hereafter belonging or in any wise appertaining,

TOGETHER WITH all monies and proceeds (hereinafter referred to collectively as the "Proceeds") derived by Grantor from said real property, apparatus, chattels, fixtures, buildings, structures, improvements, rents, issues, income and profits, including all rents, refunds, rebates, condemnation awards and proceeds of the sale of, insurance on or other borrowings secured in whole or in part by any of said real property, apparatus, chattels, fixtures, buildings, structures, improvements,

rents, issues, income and profits; reserving only the right to Grantor to collect the same so long as no Event of Default as hereinafter defined, has occurred and is continuing,

ALL of which property, improvements and appurtenances shall be referred to hereinafter as the "property",

TO HAVE AND TO HOLD the said bargained property unto the Grantee forever in fee simple;

GRANTOR FURTHER COVENANTS AND AGREES WITH GRANTEE AS FOLLOWS:

1. Grantor hereby warrants and covenants that it has good title to the property, is lawfully seized and possessed of the property and has the full right to convey the property, and that the property is unencumbered, and Grantor hereby warrants and will forever defend the title thereto against the claims of all persons whomsoever.

2. This deed to secure debt and security agreement (hereinafter referred to as the "deed") is intended to secure the payment of a debt in the sum of Three Million One Hundred Fifty Thousand and No/100 (\$3,150,000.00) Dollars, with interest, as evidenced by one certain promissory note of even date herewith executed and delivered by Grantor to Grantee (hereinafter referred to as the "note"), which note has a final maturity date of September 1, 1998, and all other sums payable hereunder, under the note or under any other instrument now or hereafter evidencing or securing the indebtedness evidenced by the note, together with any and all renewals, modifications, extensions and consolidations of said note and/or the debt evidenced thereby.

3. Grantor will pay when due all sums secured hereby.

4. Upon the occurrence of any Event of Default, the principal balance then outstanding shall bear additional interest at the rate representing the difference between the interest rate set forth in said note and eleven and 50/100 (11.50) percent per annum and, at the option of Grantee, notice of exercise of such option being hereby expressly waived, said principal balance then outstanding with accrued interest and additional interest shall at once become due and payable without further notice or demand and may be collected, time being of the essence of this contract, and in case said note is collected by suit or through an attorney, Grantor agrees to pay all costs of collection and fifteen (15) percent of the aggregate principal and interest as attorney's fees.

5. Grantee's disbursement of the final \$650,000 of the loan hereby secured is conditioned upon the full, prompt and complete fulfillment of the following conditions:

- (a) the completion of a new 575,000 bushel grain storage facility having a cost of construction of at least \$632,500, in accordance with plans and specifications satisfactory to Grantee;
- (b) no Event of Default as defined herein and no circumstances which with the passage of time or notice or both would constitute an Event of Default hereunder, shall have occurred and be continuing;
- (c) Grantor shall have complied with all requirements of Grantee's First Mortgage Loan Commitment to Grantor, dated June 1, 1978, as amended, including but not limited to the paragraphs entitled "Loan Documentation, Supporting Documents, and Title Evidence", "Closing Costs and Expenses" and "Completion of Construction and Development";

- (d) at the time of such disbursement the title insurance policy insuring the priority of this deed to secure debt and security agreement shall be endorsed to indicate that the full amount of the loan secured by this deed has been disbursed and to advance the effective date thereof to the date of such disbursement, without the addition of any title exception or other matter not approved in writing by Grantee.

6. Grantor will keep the property protected and in good order, repair and condition at all times, promptly replacing any of the property which may become lost, destroyed or unsuitable for use, and will keep the property insured and the interests and liabilities incident to the ownership thereof, in manner, forms, companies, sums and length of terms satisfactory to Grantee, and in any event in an amount sufficient to prevent Grantor or Grantee from becoming a co-insurer of any loss under the applicable policies. All insurance policies are to be held by Grantee and, to the extent of its interests, all such policies are to be for the benefit of and first payable in case of loss to Grantee, and Grantor shall deliver to Grantee a new policy obtained as replacement for any expiring policy at least fifteen (15) days before the date of such expiration. All amounts recoverable under any policy are hereby assigned to Grantee and in the event of a loss the amount collected may, at the option of Grantee, be used in any one or more of the following ways: (i) applied upon the indebtedness secured hereby, whether such indebtedness then be matured or unmatured, (ii) used to fulfill any of the covenants contained herein as Grantee may determine, (iii) used to replace or restore the property to a condition satisfactory to Grantee, or (iv) released to Grantor. Grantee is hereby irrevocably appointed by Grantor as attorney-in-fact of Grantor to assign any policy without accounting to Grantor for any unearned premium thereon, in the event of the foreclosure of this deed, a sale of the property under the powers hereinafter granted, or a conveyance by Grantor in lieu of any such foreclosure or sale under power.

7. Grantor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority applicable to or affecting the business and operations of Grantor or the property or any part thereof.

8. Grantor will pay, before the same become delinquent all taxes, assessments, water, sewer and other rents, charges, excises, levies, license fees, permit fees and all other charges (in each case, whether general or special, ordinary or extraordinary, or foreseen or unforeseen) of every character (including all penalties and interest thereon) now or hereafter levied, assessed, confirmed or imposed on, or in respect of, or which may be a lien upon the property or any part thereof, or any estate, right or interest therein, or upon the rents, issues, income or profits thereof, and will submit to Grantee such evidence of the due and punctual payment of all such taxes, assessments and charges as Grantee may require. Grantor will pay all taxes, assessments and charges which may be levied on the note or the interest thereon, or on this deed, excepting the Federal Income Tax imposed under the laws of the United States of America and the Georgia Income Tax imposed under the laws of the State of Georgia.

9. If Grantor fails to observe or perform any of Grantor's covenants set forth in this deed, then Grantee, at its option, may perform and observe the same, and all payments made and costs incurred by Grantee in connection therewith, together with interest thereon from the date of payment at the lesser of the rate of eleven and 50/100 (11.50) percent per annum or the maximum interest rate permitted by applicable law, shall be immediately due and payable by Grantor to Grantee, and until paid shall be added to and become a part of the principal debt secured hereby. Grantee shall be the sole judge of the necessity for any actions so taken by it and the amount necessary to be

paid or incurred by Grantee to remedy any such default of Grantor. Grantee is hereby empowered to enter and to authorize others to enter upon the property or any part thereof for the purpose of performing or observing any such defaulted covenant, without thereby becoming liable to Grantor or any person in possession holding under Grantor.

10. Grantor will not commit or suffer any strip or waste of the property hereby conveyed and will not commit or suffer any demolition, removal or material alteration of the property or any part thereof without the prior written consent of Grantee.

11. Grantor hereby assigns to Grantee all awards heretofore or hereafter made by any public or quasi-public authority to the present and all subsequent owners of the property hereby conveyed, by virtue of an exercise of the right of condemnation or eminent domain by such authority, including any award for damages to or taking of title to the property or any part thereof, or the possession thereof, or any right or easement affecting the property or appurtenant thereto (including any award for taking of title, possession or right to a public way, or for any change of grade of streets affecting said property). Grantee, at its option, is hereby authorized, directed and empowered to collect and receive the proceeds of any such award and awards from the authorities making the same and to give proper receipts and acquittances therefor, and may, at the election of Grantee, use such proceeds in any one or more of the following ways: (i) apply the same or any part thereof upon the indebtedness secured hereby, whether such indebtedness then be matured or unmatured, (ii) use the same or any part thereof to fulfill any of the covenants contained herein as Grantee may determine, (iii) use the same or any part thereof to replace or restore the property to a condition satisfactory to Grantee, or (iv) release the same to Grantor. Grantor hereby covenants and agrees to and with Grantee, upon request by Grantee, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such awards to Grantee free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

12. Grantor agrees to pay to Grantee, if Grantee so requests, on each date upon which installments of principal and interest are payable, such amounts as Grantee from time to time estimates as necessary to create and maintain a reserve fund from which to pay, as the same become due, all insurance premiums, taxes, assessments and other charges as are herein covenanted to be paid by Grantor. Grantee may hold and commingle the sums so paid with Grantee's own funds pending payments or applications thereof as herein provided, and Grantee shall not be liable for interest thereon. Payments from said reserve fund for said purposes are to be made by Grantee at its discretion. All money paid under the terms hereof may be used for one or more of the purposes aforesaid although such use benefits subsequent owners of the property. If money is refunded from said reserve fund, Grantee may deal with whomever is represented to be the owner of said property at that time.

13. If Grantee is made a party to or appears as a party plaintiff or defendant in any action or proceeding affecting the property, the note, the debt secured hereby, or the validity or priority of this deed, then Grantor shall, upon demand, reimburse Grantee for all expenses incurred by Grantee by reason of any such action or proceeding, including but not limited to attorney's fees and costs of court, and the same shall be secured hereby.

14. Grantee shall be subrogated to any encumbrance, lien, claim or demand (including all the rights therein and securities for the payment thereof) paid or discharged with the proceeds of the indebtedness secured hereby, or by Grantee under the provisions hereof.

15. Grantor will pay all sums, the failure to pay which may result in the acquisition of a lien or other security title or interest

prior to this deed, before such a prior lien or other security title or interest may attach, or which may result in conferring upon a tenant of any part of the bargained property a right to recover such sums as prepaid rent, or as a credit or offset against any future rental obligation.

16. In the event of the passage after the date of this deed of any law by the State of Georgia, deducting from the value of the property for the purposes of taxation any lien or security title thereon, or changing in any way the laws for the taxation of deeds to secure debt or security agreements, or debts secured thereby, or the manner of collection of any such taxation so as to affect this deed or the holder thereof, the holder of this deed and of the debt which it secures shall have the right to give thirty (30) days written notice to Grantor requiring the payment of the debt secured hereby. If such notice be given, the said debt shall become due, payable and collectible at the expiration of said thirty (30) days; provided, however, that such requirement of payment shall be ineffective if Grantor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty thereby accruing to the holder of this deed and of the debt which it secures, and if Grantor in fact pays such tax prior to the date upon which payment is required by such notice.

17. Grantor hereby sells, assigns, sets over and transfers to Grantor all of the rents, issues, income and profits (all of which are sometimes hereinafter referred to as the "Rents") which shall hereafter become due or be paid for the use of the property or any part thereof, reserving only a revocable license to Grantor to collect the Rents as long as no Event of Default has occurred and is continuing. Grantor hereby agrees to execute and deliver such other instruments as Grantee may require evidencing the assignment of the Rents.

18. Upon request by Grantee, Grantor will from time to time assign to Grantee as security for the debt secured hereby Grantor's interest in any and all leases, tenant contracts, rental agreements and other contracts, licenses and permits (all of which are hereafter in this paragraph 18 collectively referred to as the "contracts" or severally as a "contract") now or hereafter affecting the property, or any part thereof, each such assignment to be made by instrument in form and substance satisfactory to Grantee. No such assignment shall be construed as a consent by Grantee to any such contract, or to impose upon Grantee any obligation with respect thereto. Without first obtaining on each occasion the written approval of Grantee, Grantor will not cancel any such contract nor terminate or accept a surrender thereof or reduce the payment of the rent or any other amount thereunder or modify any of the contracts, nor accept, nor permit to be made, any prepayment of any installment of rent or other amount thereunder (except the usual prepayment of rent which results from the acceptance by a landlord on the first day of each month of the rent for the ensuing month). Grantor will faithfully keep and perform all obligations to be kept and performed by Grantor under each of such contracts, and under each other such contract Grantor's interest in which is assigned to Grantor pursuant to the terms hereof.

19. Grantor covenants that it will at all times operate the property as feed milling, processing and storage facilities.

20. Grantor will not acquire any part of the property subject to any security interest, conditional sale contract, title retention arrangement or other charge or lien taking precedence over the security title and lien hereof.

21. The occurrence of any one of the following events shall constitute an Event of Default for all purposes in this deed:

(i) Grantor fails to pay any installment of principal or interest, or of principal and interest, or any part thereof, payable under the note, when and as the same shall become due and payable;

(ii) Grantor fails to pay any other sums covenanted to be paid by Grantor under this deed, as the same shall become due and payable;

(iii) The property is subjected to actual or threatened waste, or any part thereof is removed, demolished or materially altered without the prior written consent of Grantee;

(iv) Grantor fails to remove within thirty (30) days from the date of filing any lien or claim of lien filed of record against Grantor or the property;

(v) Any claim of priority to this deed by title, lien or otherwise is asserted in any legal or equitable proceeding;

(vi) Grantor makes any assignment for the benefit of creditors, or a receiver, liquidator or trustee of Grantor or of any of Grantor's property is appointed or any petition for the bankruptcy, reorganization or arrangement of Grantor pursuant to the Federal Bankruptcy Act, or any similar statute, is filed, or Grantor is adjudicated a bankrupt or insolvent, or Grantor (if a corporation) is liquidated or dissolved or its charter expires or is revoked, or, Grantor (if a partnership or business association) is dissolved or partitioned, or, Grantor (if a trust) is terminated or expires;

(vii) Grantor fails to keep, observe, perform, carry out and execute in every particular the covenants, agreements, obligations and conditions contained in this deed, in the note, in that certain Security Agreement of even date herewith among Grantor, Grantee and Fieldale Farms, Inc. (hereinafter referred to in this deed as the "Security Agreement"), or in any other instrument now or hereafter evidencing or securing the debt secured hereby;

(viii) Any representation or warranty made by the Grantor in this deed, in the note, in the Security Agreement or in any other instrument now or hereafter evidencing or securing the debt secured hereby is untrue or misleading in any material respect.

22. Notwithstanding any other provision of this deed, and in addition to any other remedy or remedies provided in this deed or by law, upon the occurrence of an Event of Default Grantee may do any one or more of the following:

(i) Enter upon and take possession of the property without the appointment of a receiver, or an application therefor, and collect and receive the rents, incomes, issues and profits of and from the property, and Grantee is hereby constituted and appointed as the attorney-in-fact of Grantor to manage and operate the property and to collect such sums. After deducting from the sums so collected all expenses of taking, holding, managing and operating the property (including compensation for the services of all persons employed for any of such purposes), the net amount so collected shall be applied toward the debt secured hereby; provided that nothing herein contained shall be construed to obligate Grantee to discharge or perform the duties of a landlord to any tenant or to impose any liability upon Grantee as the result of any exercise by Grantee of its rights under this deed, and Grantee shall be liable to account only for the rents, incomes, issues and profits actually received by Grantee;

(ii) Apply for the appointment of a receiver of the rents, incomes, issues and profits of or from the property, without notice to Grantor. Grantee shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the property as security for the debt secured hereby or the solvency of Grantor or any person or legal entity liable for the payment of all or any part of such debt;

(iii) Declare the entire debt secured hereby immediately due and payable, without notice to or demand upon Grantor;

(iv) Apply all or any part of any funds held by Grantee, paid by Grantor pursuant to paragraph 12 hereof, to the payment of the debt secured hereby and to any other amounts payable under the note, this deed or any other instrument now or hereafter evidencing or securing said debt, or any one or more thereof in whole or in part, in such manner as Grantee may elect.

23. Upon the occurrence of an Event of Default, Grantee may sell the property at auction at the usual place for conducting sales at the courthouse in the County in which the property, or any part thereof, is located, to the highest bidder for cash, after advertising the time, terms and place of such sale once a week for four weeks immediately preceding such sale (but without regard to the number of days intervening between the date of publication of the first advertisement and the date of sale) in a newspaper published in such county, or in the paper in which the sheriff's advertisements for such county are then being published, all other notice being hereby waived by Grantor. Grantee, its agents, representatives, successors or assigns, may bid and purchase at such sale. Grantee may thereupon execute and deliver to the purchaser at such sale a conveyance of the property in fee simple, which conveyance shall contain recitals as to the Event of Default upon which the execution of the power of sale herein granted depends, and Grantor hereby constitutes and appoints Grantee the true and lawful attorney in fact of Grantor to make such recitals, sale and conveyance, and all of the acts of Grantee as such attorney in fact are hereby ratified and confirmed. Grantor agrees that such recitals shall be binding and conclusive upon Grantor and that the conveyance to be made by Grantee shall divest Grantor of all right, title, interest, equity and right of redemption, including any statutory redemption, in and to the property. Grantee shall collect the proceeds of such sale, and after reserving therefrom the entire debt secured hereby (including fifteen (15) percent of the aggregate principal and interest due as attorney's fees) and all costs and expenses of such sale, shall pay any surplus to Grantor, all as provided by law. The power and agency hereby granted are coupled with an interest and are irrevocable by death or dissolution, or otherwise, and are in addition to any and all other remedies which Grantee may have hereunder, at law or in equity.

24. So long as the debt secured hereby, or any part thereof, remains unpaid, Grantor agrees that possession of the property by Grantor, or any person claiming under Grantor, shall be as tenant under Grantee, and, in case of a sale under power as provided in this deed, Grantor and any person in possession under Grantor shall, at the option of the purchaser at such sale, then become and be tenants holding over, and shall forthwith deliver possession to such purchaser, or be summarily dispossessed in accordance with the laws applicable to tenants holding over.

25. In case of any sale under this deed by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceeding or otherwise, the property may be sold as an entirety or in one parcel or in separate parcels in such manner or order as Grantee in its sole discretion may elect; and if Grantee so elects it may sell the personal property and any part thereof covered by this deed at one or more separate sales in any manner permitted by the Uniform Commercial Code of Georgia; and one or more exercises of the powers herein granted shall not extinguish nor exhaust such powers, until the entire property is sold or all amounts secured hereby are paid in full.

26. Each of the rights of Grantee under this deed, the note and each and every other document or instrument now or hereafter evidencing or securing the indebtedness evidenced by the note is separate and distinct from and cumulative to all other rights herein and therein

granted, and all other rights which Grantee may have in law or equity, and no such right shall be in exclusion of any other. No delay by Grantee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof upon the occurrence of an Event of Default. No failure by Grantee to insist upon the strict performance by Grantor of each and every covenant and agreement of Grantor under the note or this deed shall constitute a waiver of any such covenant or agreement, and no waiver by Grantee of any Event of Default shall constitute a waiver of or consent to any subsequent Event of Default. No failure of Grantee to exercise the option herein granted to accelerate the maturity of the debt secured hereby, nor any forbearance by Grantee before or after the exercise of such option, nor any withdrawal or abandonment by Grantee of any exercise of the power of sale herein granted or any of its rights under such power, shall be construed as a waiver of any option, power or right of Grantee hereunder.

27. It is hereby agreed that this deed and the note secured hereby are assignable and that any transfer or assignment of this deed shall operate to vest in the transferee the legal title to the property hereby conveyed, together with all the rights and powers herein conferred.

28. This deed is a deed conveying title to the property, and not a mortgage creating a lien only, is made under the provisions of the existing laws of the State of Georgia relating to deeds to secure debt, and is intended to constitute a security agreement under the Uniform Commercial Code of Georgia.

29. Grantor, on behalf of Grantor and Grantor's family, hereby waives and renounces all homestead and exemption rights provided for by the Constitution and the laws of the United States or the State of Georgia, in and to the property as against the collection of all amounts secured hereby, or any part thereof, and does hereby direct any trustee in bankruptcy having possession of such homestead or exemption to deliver to Grantee a sufficient amount of money or property set apart as exempt to pay all amounts secured hereby and does hereby appoint Grantee the attorney in fact for Grantor to claim and all homestead exemptions allowed by law.

30. Each and every covenant, warranty and agreement of Grantor herein, if Grantor be more than one, shall be jointly and severally binding upon and enforceable against Grantor, and each of them. Time is of the essence with respect to each and every covenant, agreement and obligation of Grantor under this deed, the note and any and all other instruments now or hereafter evidencing or securing the debt secured hereby. The pronouns used herein shall include the masculine, feminine and neuter genders and the singular and plural forms where the context so requires. As used herein the term "Grantor" shall include the named Grantor, and each of them individually and as a general partner of Direct Feed Mill Co., and their respective heirs, legal representatives, successors, successors-in-title and assigns, and the term "Grantee" shall include the named Grantee and its heirs, legal representatives, successors, successors-in-title and assigns.

31. At such time as all amounts secured hereby have been paid in full and Grantor has fully performed all of the covenants, obligations and agreements of Grantor hereunder, Grantee will reconvey the property in the manner provided by law.

32. Grantor at its expense will execute, acknowledge and deliver all such instruments and take all such action as Grantee from time to time may reasonably request for the better assuring to Grantee and the holder of the note of the properties and rights now or hereafter conveyed hereby or assigned hereunder or intended so to be conveyed or assigned.

33. Grantor hereby covenants and agrees with Grantee that unless Grantee shall otherwise consent in writing, Grantor will, at the time of execution and delivery of this deed and at all times thereafter, cause to be complied with, conformed to and performed all of the requirements, conditions, representations, terms, covenants and warranties set forth below:

(i) The current ratio of Fieldale Corporation, a Georgia corporation (hereinafter referred to as "Fieldale"), on a consolidated basis shall not be less than two and 00/100 (2.00), excluding deferred income taxes from current liabilities.

(ii) The net worth of Fieldale on a consolidated basis shall not be less than one hundred seventy-five (175) percent of the funded debt of Fieldale on a consolidated basis.

(iii) The working capital of Fieldale on a consolidated basis shall not be less than \$10,000,000.00, excluding deferred income taxes from current liabilities.

(iv) Grantor shall acquire or incur no funded debt other than the loan secured hereby.

(v) Grantor shall not voluntarily or by operation of law sell, transfer, abandon, grant discounts with respect to, or make, place, create or suffer any mortgage, pledge, security interest, security title or other lien or encumbrance against, any of the property without first obtaining the prior written consent of Grantee; provided, however, Grantor shall have the right to add, substitute or replace machinery and equipment at Grantor's discretion so long as Grantee is given a first priority security interest to such additional, substitute or replacement machinery and equipment hereunder as security for the loan secured hereby, and provided that upon such addition, substitution or replacement, the value of the property is not less than existed prior to such addition, substitution or replacement.

(vi) Notwithstanding any other provision of this deed, Grantor shall enter and shall have entered into no lease or rental agreements of any type, whether as lessor or lessee, and no sale (or other conveyance)- leaseback arrangements of any kind; provided, however, Grantor may enter into lease or rental agreements of its rolling stock without exception, and Grantor may enter into other lease or rental agreements if after Grantor's entry into any such lease or rental agreement the total of annual lease payments with respect to all such leases or rental agreements does not at any time exceed five (5) per cent of the net tangible assets of Grantor on a consolidated basis.

(vii) Fieldale shall not declare or pay any dividends, purchase, redeem or otherwise retire or make any distribution in respect of any shares of its capital stock or warrants of its capital stock while any Event of Default exists hereunder or if such dividend, purchase, redemption, retirement or distribution would occasion an Event of Default hereunder.

(viii) Grantor shall not make any distribution or payment of its profits, or repay, in whole or in part, to any officer, partner or subsidiary of Grantor, any loan while any Event of Default exists hereunder or if such distribution or payment would occasion an Event of Default hereunder.

(ix) Grantor shall not, without the prior written consent of Grantee, enter into any merger, consolidation or other reorganization with any corporation, partnership or other business entity other than Fieldale.

(x) Grantor shall comply with the requirements of all federal, state and local pollution and environmental protection laws and regulations applicable or pertaining to the business and operations of Grantor or to the property.

(xi) Commencing on the second anniversary of the date of execution of this deed, Grantor shall either (a) annually reinvest not less than \$50,000 in capital improvements or repairs and maintenance to the property, or (b) annually deposit into an escrow account satisfactory in all respects to Grantee an amount equal to \$50,000 less the amount so reinvested, and Grantor's subsequent financial reports and statements shall show that such escrow account has been established and the balance thereof. Amounts deposited in said escrow account may be used by Grantor within three years after deposit, to reimburse Grantor for costs incurred for capital improvements or repairs and maintenance to the property, and any amounts not so used within any such three year period may be applied by Grantee, at its option, in reduction of the outstanding principal balance of the loan secured hereby in the manner, and applied to installments or other payments of principal in such order, as Grantee shall determine. Grantor's right to such reimbursement is expressly conditioned upon Grantor's providing to Grantee evidence satisfactory to Grantee that all such costs have been paid and that no one has any right to claim a lien against the property or any part thereof on account of any such capital improvements or repairs and maintenance.

(xii) Grantor is a partnership duly organized and validly existing under the laws of the State of Georgia, is in good standing in Georgia and is duly qualified to do business or has obtained certificates of authority or other similar required qualification or certification in all jurisdictions in which its activities require the same, and Grantor has full power and authority to execute and deliver this deed, the note, the Security Agreement and all other documents and instruments in connection with the loan secured hereby, and to borrow the funds secured by this deed and to enter into and perform all other transactions and activities of Grantor contemplated hereby. Grantor warrants that there is no action, suit or proceeding pending or threatened against or affecting Grantor at law or in equity or before any governmental agency, body or authority, and that neither the business nor any activity of Grantor violates any law, or any rule, regulation, order, judgment or directive of any judicial, administrative or other governmental instrumentality. Grantor shall at all times maintain full power and authority to and shall (a) conduct continuously and operate actively its business, (b) keep in full force and effect its partnership existence and comply with all the laws and regulations governing the condition of its business and (c) make all such reports and pay all such franchise and other taxes and license fees and do all such other activities and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States and of the States or jurisdictions in which Grantor does business.

(xiii) The execution, delivery and performance by Grantor of the note, this deed, the Security Agreement and all transactions contemplated hereby have been duly authorized by all necessary partnership action and will not violate any provision of law or of Grantor's partnership agreement or result in the breach of or constitute a default under any indenture or other agreement or instrument to which Grantor is a party or by which Grantor or the property may be bound or affected.

(xiv) Grantor and Fieldale shall furnish to Grantee as soon as practical after the end of each fiscal year and in any event within ninety (90) days thereafter audited financial statements with respect to the business of each of Grantor and Fieldale, including without limitation balance sheets and statements of income and expense prepared and certified, at Grantor's expense, by an independent certified public accountant acceptable to Grantee who is a member of the American Institute of Certified Public Accountants together with a certificate by

such accountant stating that he is familiar with the financial provisions of this deed and whether his examination has disclosed the existence of any default hereunder with respect to Grantor or Fieldale or both, specifying the nature and period of any default that has been discovered. Grantee and its representatives shall have the right to inspect all books of account relating to the property now or hereafter described in this deed or constituting security for the loan secured hereby (and to make copies or extracts therefrom) and to cause such books to be audited by independent public accountants, selected by Grantee, as often as may be reasonably requested; provided, however, that such inspection and audit shall be at Grantee's expense. Grantor and Fieldale shall furnish to Grantee semi-annual unaudited financial and operating statements with respect to the business of each of Grantor and Fieldale within sixty (60) days after the end of each semi-annual period.

34. For purposes of paragraph 33 hereof, the following definitions shall apply:

(i) assets - anything owned or controlled or any right or interest therein;

(ii) consolidated basis - with respect to Grantee, the consolidation for accounting purposes of the assets, liabilities and equities of Grantor with the assets, liabilities and equities of all of Grantor's subsidiaries; with respect to Fieldale, the consolidation of the assets, liabilities and equities of Fieldale with the assets, liabilities and equities of all of Fieldale's subsidiaries;

(iii) current assets - assets which will normally be converted into cash within one year;

(iv) current liabilities - liabilities which must be paid or satisfied within one year;

(v) current ratio - the ratio of current assets to current liabilities;

(vi) funded debt - any loan or other obligation maturing within a period in excess of one year;

(vii) liabilities - any debt or obligation;

(viii) net tangible assets - tangible assets less current liabilities;

(ix) net worth - all assets less all liabilities;

(x) subsidiary - any corporation in which a majority of the securities which have voting power are owned by Grantor or by Fieldale, as the case may be, or another corporation in which a majority of the securities which have voting power are owned by a subsidiary of Grantor or of Fieldale, as the case may be;

(xi) tangible assets - all assets except goodwill, patents and similar assets of an intangible nature;

(xii) working capital - current assets less current liabilities.

35. In the event Grantor or Fieldale fails to comply with, conform to or perform any requirement, condition, representation, term, covenant or warranty set forth in subparagraphs (i)-(xi) of paragraph 33 hereof, Grantor and Fieldale shall have forty-five (45) days from the date of written notice of such failure from Grantee within which to cure such failure. Grantor agrees that Grantor and Fieldale will give immediate written notice to Grantee as soon as Grantor or Fieldale is aware of any

failure to comply with, conform to or perform pursuant to any of said subparagraphs (i)-(xi) of paragraph 33 hereof.

36. Grantor will not use any part of the proceeds of the loan evidenced by the note for the purpose (whether immediate, incidental or ultimate) of "purchasing" or "carrying" any "margin security" as such terms are defined in Regulation G (12 C.F.R., Part 207) of the Board of Governors of the Federal Reserve System or for the purpose of reducing or retiring any indebtedness which was originally incurred for such purpose.

37. Grantee shall have the right to enter upon and inspect the property or any part thereof at all times.

38. This deed shall constitute a "security agreement" as that term is defined in the Uniform Commercial Code as enacted in the State of Georgia (the "U.C.C.") with respect to all Rents and Proceeds, and creates a security interest in Grantee in said Rents and Proceeds. A financing statement or statements shall be executed by Grantee and Grantor and filed in the manner required to perfect said security interests under the U.C.C. Compliance with U.C.C. requirements relating to personal property shall not be construed as altering in any way the rights of Grantee as determined by this instrument under any other statutes or laws of the State of Georgia, but is declared to be solely for the protection of Grantee in the event that such compliance is at any time held to be necessary to preserve the priority of Grantee's security interests hereunder against any other claims. Grantee shall also have all rights and remedies of a secured party under the U.C.C., and without limitation upon or in derogation of the rights and remedies created under and accorded Grantee by this deed pursuant to the common law or any other laws of the State of Georgia or of any other jurisdiction, it being understood that the rights and remedies of Grantee under the U.C.C. shall be cumulative and in addition to all other rights and remedies of Grantee arising under the common law, or any other laws, of the State of Georgia or of any other jurisdiction.

39. Any and all notices, elections or demands permitted or required to be made under this deed shall be in writing, signed by the party giving such notice, election or demand and shall be delivered personally, or sent by registered or certified mail, to the other party at the address set forth below, or at such other address as may be supplied in writing. The date of personal delivery or the date of mailing, as the case may be, shall be the date of such notice, election or demand. For the purposes of this deed

The address of Grantor is: Post Office Box 558  
Baldwin, Georgia 30511

The address of Grantee is: Post Office Box 111  
John Hancock Place  
Boston, Massachusetts 02117

With a copy thereof addressed to:

Mr. Joe P. Warren  
Agricultural Investment Officer  
John Hancock Mutual Life  
Insurance Company  
12 Siebald Street, Suite 101  
Statesboro, Georgia 30458

or such other address as any party may give the others pursuant to the provisions hereof. In the event that Grantee is required or permitted to give any notice to Grantor, ten (10) days' notice hereunder shall be deemed to be sufficient, but shall not be required.

40. GRANTOR HEREBY WAIVES ANY RIGHT GRANTOR MAY HAVE UNDER THE CONSTITUTION OF THE STATE OF GEORGIA OR THE CONSTITUTION OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DEED TO GRANTEE AND GRANTOR WAIVES ITS RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS DEED ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. ALL WAIVERS BY GRANTOR IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER GRANTOR HAS BEEN FIRST INFORMED BY COUNSEL OF GRANTOR'S OWN CHOOSING AS TO POSSIBLE ALTERNATIVE RIGHTS, AND HAVE BEEN MADE AS AN INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A KNOWN RIGHT AND PRIVILEGE.

INITIALED:

ER  
E. R.

ER  
E. R., as attorney-in-fact  
and agent as hereinafter  
set forth

T.A.A., Jr  
T.A.A., JR.

T.A.A., Jr  
T.A.A., JR., as attorney-in-  
fact and agent as hereinafter  
set forth

41. If any provision of this deed or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance, is held invalid or unenforceable, the validity and enforceability of the remainder of this deed, and of the application of any such provision, paragraph, sentence, clause, phrase or word in other circumstances, shall not be affected thereby, it being intended that all rights, powers and privileges of Grantee hereunder shall be enforceable to the fullest extent permitted by law.

42. The conveyed property being located in the State of Georgia, this deed and the rights and indebtedness hereby secured shall, without regard to place of contract or payment, be construed and enforced according to the laws of the State of Georgia.

43. Each of the undersigned who executes this instrument as attorney-in-fact and agent for any other person does hereby jointly and severally warrant and represent to Grantee that he is authorized so to execute this instrument, and that the Limited Power of Attorney to which reference is hereinafter made is in full force and effect and that same has not been revoked by death, incompetency or otherwise.

44. Solely for the purpose of facilitating simultaneous recording, this deed has been executed in three counterpart originals, any of which may be considered to be the original and which together constitute one instrument.

IN WITNESS WHEREOF, the undersigned have duly executed, sealed and delivered this instrument the day and year first above written.

Signed, sealed and delivered  
in the presence of:

Haynes R. Roberts  
Witness

Patricia J. Means  
Notary Public

Earl Ray (SEAL)  
EARL RAY, individually and  
as a general partner of Direct  
Feed Mill Co., a Georgia general  
partnership

[NOTARIAL SEAL]

Notary Public, Georgia, State at Large  
My Commission Expires June 22, 1979

Haynes R. Roberts  
Witness

Thomas A. Arrendale, Jr. (SEAL)  
THOMAS A. ARRENDALE, JR., individually and as a general partner of Direct Feed Mill Co., a Georgia general partnership

Patricia J. Means  
Notary Public

[NOTARIAL SEAL]  
Notary Public, Georgia, State at Large  
My Commission Expires June 22, 1979

WILLIAM LEE ARRENDALE (a.k.a. W. LEE ARRENDALE), JOE S. HATFIELD, JR. (a.k.a. JOE S. HATFIELD), HOWARD O. WATKINS, JR., RICHARD D. PALMER, THEODORE C. McCALL, JEROME WINFREY, JOHNNY M. BURKETT, JR., W. A. BEGGS (a.k.a. WALLACE A. BEGGS), LAWTON E. WOFFORD, JAMES W. WRIGHT, WILLIAM A. McCLAIN, THOMAS M. HENSLEY, JR., T. MICHAEL RIDDLE and KEITH E. RINEHART, individually and as all of the general partners of DIRECT FEED MILL CO., a Georgia general partnership, other than those whose signatures appear above, by and through their true and lawful attorneys-in-fact and agents pursuant to that certain Limited Power of Attorney dated as of June 20, 1978, the same being recorded in Book 16, beginning at page 52-58 of the records of the Clerk of Superior Court, Banks County, Georgia and in Book 160, beginning at page 261-267 of the records of the Clerk of Superior Court, Habersham County, Georgia

Haynes R. Roberts  
Witness

Earl Ray (SEAL)  
EARL RAY, as attorney-in-fact and agent as aforesaid

Patricia J. Means  
Notary Public

[NOTARIAL SEAL]  
Notary Public, Georgia, State at Large  
My Commission Expires June 22, 1979

Haynes R. Roberts  
Witness

Thomas A. Arrendale, Jr. (SEAL)  
THOMAS A. ARRENDALE, JR., as attorney-in-fact and agent as aforesaid

Patricia J. Means  
Notary Public

[NOTARIAL SEAL]  
Notary Public, Georgia, State at Large  
My Commission Expires June 22, 1979

EXHIBIT A

TO DEED TO SECURE DEBT AND SECURITY AGREEMENT, DATED  
JUNE 22, 1978, BY AND BETWEEN EARL RAY, JOE S.  
HATFIELD, JR. (a.k.a. JOE S. HATFIELD), THOMAS A.  
ARRENDALE, JR., WILLIAM LEE ARRENDALE (a.k.a. W. LEE  
ARRENDALE), HOWARD O. WATKINS, JR., RICHARD D. PALMER,  
THEODORE C. McCALL, JEROME WINFREY, JOHNNY M. BURKETT, JR.,  
W. A. BEGGS (a.k.a. WALLACE A. BEGGS), LAWTON E. WOFFORD,  
JAMES W. WRIGHT, WILLIAM A. McCLAIN, THOMAS M. HENSLEY, JR.,  
T. MICHAEL RIDDLE AND KEITH E. RINEHART, EACH INDIVIDUALLY  
AND DOING BUSINESS AS DIRECT FEED MILL CO., A GEORGIA GENERAL  
PARTNERSHIP, AND JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

All that tract or parcel of land lying and being in Land Lots 186 and 187 of the 10th District of Habersham and Banks Counties, Georgia, containing 20.0 acres, and being described, according to plat of survey by Hubert Lovell, R.S., dated December 6, 1977, revised December 28, 1977, revised May 23, 1978, and revised June 13, 1978, and recorded in Plat Book 14, page 280, Habersham County Records, and Plat Book 7, Page 45, Banks County Records; and being more particularly described as follows:

BEGINNING at a concrete monument at the intersection of the southerly side of the right of way of U.S. Highway Number 23 with the southeasterly side of the right of way of Southern Railway Company (said point of beginning [the concrete monument] being south  $86^{\circ}42'$  west 456.3 feet as measured along the southern right of way line of U.S. Highway Number 23 from the intersection of the southern right of way line of U.S. Highway Number 23 and the center line of Old Baldwin Alto Road [having a 30 foot right of way]); thence North  $86^{\circ}42'$  E 325.7 feet to a point on the eastern side of a paved private road, (said point being South  $86^{\circ}42'$  W 49.4 feet from an iron pin found); thence southerly and southwesterly along the eastern and southeastern sides of said road the following courses and distances: South  $04^{\circ}19'$  W 53.7 feet; South  $10^{\circ}24'$  W 20.5 feet; South  $26^{\circ}13'$  W 30 feet; South  $38^{\circ}09'$  W 39.6 feet; South  $43^{\circ}45'$  W 85.5 feet; South  $39^{\circ}36'$  W 299.3 feet; South  $38^{\circ}58'$  W 121.2 feet; and South  $39^{\circ}06'$  W 146 feet to a concrete monument set under the back edge of curb on the southeastern side of the aforementioned private road; thence South  $51^{\circ}34'$  E 722.1 feet to an iron pin at a concrete monument set on the northwestern side of a paved road having a 30 foot right of way; thence along said road westerly, southwesterly and northwesterly the following courses and distances: South  $39^{\circ}01'$  W 38.5 feet; South  $56^{\circ}13'$  W 44.4 feet; South  $68^{\circ}33'$  W 78.5 feet; South  $78^{\circ}38'$  W 217.7 feet; South  $71^{\circ}20'$  W 144.3 feet; South  $62^{\circ}53'$  W 54.2 feet; South  $54^{\circ}21'$  W 139.5 feet; South  $60^{\circ}38'$  W 87.6 feet; South  $65^{\circ}19'$  W 405.6 feet; South  $83^{\circ}32'$  W 52.2 feet; North  $76^{\circ}01'$  W 73.3 feet; and North  $69^{\circ}30'$  W 224.4 feet to a concrete monument on the southeastern right of way of Southern Railway Company; thence northeasterly along the southeastern right of way of Southern Railway Company the following courses and distances: North  $37^{\circ}38'$  E 51.2 feet; North  $36^{\circ}38'$  E 232.1 feet; North  $35^{\circ}06'$  E 186.5 feet; North  $32^{\circ}54'$  E 1092.6 feet; North  $36^{\circ}00'$  E 100 feet; and North  $38^{\circ}37'$  E 108.2 feet to the concrete monument at the point of beginning.

EXHIBIT B

TO DEED TO SECURE DEBT AND SECURITY AGREEMENT, DATED  
JUNE 22, 1978, BY AND BETWEEN EARL RAY, JOE S.  
HATFIELD, JR. (a.k.a. JOE S. HATFIELD), THOMAS A.  
ARRENDALE, JR., WILLIAM LEE ARRENDALE (a.k.a. W. LEE  
ARRENDALE), HOWARD O. WATKINS, JR., RICHARD D. PALMER,  
THEODORE C. McCALL, JEROME WINFREY, JOHNNY M. BURKETT, JR.,  
W. A. BEGGS (a.k.a. WALLACE A. BEGGS), LAWTON E. WOFFORD,  
JAMES W. WRIGHT, WILLIAM A. McCLAIN, THOMAS M. HENSLEY, JR.,  
T. MICHAEL RIDDLE AND KEITH E. RINEHART, EACH INDIVIDUALLY  
AND DOING BUSINESS AS DIRECT FEED MILL CO., A GEORGIA GENERAL  
PARTNERSHIP, AND JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

One (1) General Electric mobile track unit (railroad engine), 1952 Model,  
150 Horsepower, Serial No. 31688.