

DEC 24 1974 - 3 34 PM

INTERSTATE COMMERCE COMMISSION

DATE December 16, 1974

FINANCING STATEMENT AND SECURITY AGREEMENT

1. Red Fox Coal Company (hereinafter called "Debtor") whose mailing address is 88 East Broad Street, Columbus, Ohio, with places of business in Ison and Whitesburg, both being in Letcher County, Kentucky hereby grants to the Second National Bank of Ashland, Kentucky, (hereinafter called "Secured Party") whose address is 1544 Winchester Avenue, Ashland, Kentucky a security interest in the collateral described in Paragraph 2 below to secure the payment of a loan owed by Debtor to Secured Party in the amount of \$123,000.00, plus all costs, expenses, advances, and liabilities which may be made or incurred by Secured Party in the disbursement, administration and collection of the loan and in the protection, maintenance and liquidation of the collateral, with interest on all the aforesaid.
2. The collateral covered by this agreement is all the Debtor's property described below, used in connection with Debtor's coal business, together with all proceeds and products thereof, and includes, but is not limited to the following:
 - Portable Truck Scale - 62 ton 60 X 10
(8' frame) Maxie S/N 74PT-5847 Steel
Deck w/full capacity Beam-Model#62PT-6010
RX-5 (new)
 - (1) Marco Model 361 Conveyor 42" X 360'
 - (1) Marco 12' - 0 X 12' - 0 Hopper Modified
 - (1) Marco Model 850C Reciprocating Feeder
48" X 6' - 0"
 - (1) 15 H. P. Motor Design C (new)
 - Section Plate Pl. Galvanized 100 L. F. 144"
Diameter 7 Gauge Square End (new)
For Conveyor - for above
 - Rolling Stock:
ALCO Locomotive #9145 (used)
3. Debtor warrants that Debtor is the absolute owner of the legal and beneficial title to the collateral (exclusive of hereinafter acquired, replacement or hereafter-created items) and is in full possession thereof, and that same is free and clear of all liens, encumbrances and adverse claims whatsoever, except:
(NONE, unless here below stated):
4. Debtor shall not conduct business under any other name than that given above nor change or reorganize the type of business entity under which it does business except upon prior written approval of Secured Party. If such approval is given, Debtor guarantees that all documents, instruments and agreements demanded by Secured Party shall be prepared and filed at Debtor's expense before such change of name or business entity occurs in Commonwealth of Kentucky or the State of Ohio.
5. The Debtor will immediately notify the Secured Party in writing of any change in the Debtor's place or places of business, in the Commonwealth of Kentucky, or the State of Ohio.

6. That no Financing Statement covering any Collateral or any proceeds thereof is on file in any public office and that at the request of Secured Party, Debtor will join with Secured Party in executing one or more Financing Statements pursuant to the Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing the same in all public offices wherever filing is deemed by Secured Party to be necessary or desirable.
7. That Debtor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the written consent of Secured Party.
8. That Debtor will have and maintain insurance at all times with respect to all Collateral against risks of fire, theft and such other risks as Secured Party may require, and in the case of motor vehicles, collision, containing such terms in such form, for such periods and written by such companies as may be satisfactory to Secured Party, such insurance to be payable to Secured Party and Debtor as their interest may appear; that all policies of insurance shall provide for ten days' written minimum cancellation notice to Secured Party; that Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions; and that Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts.
9. That Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the Collateral or any part thereof; that Debtor will not use the Collateral in violation of any statute or ordinance; and that Secured Party may examine and inspect the Collateral at any time, wherever located.
10. That Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the Obligations.
11. At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization.
12. Until default Debtor may have possession of the Collateral and use it any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.
13. Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:
 - (a) default in the payment or performance of any obligation, covenant or liability contained or referred to herein or any note evidencing the same;
 - (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false in any material respect when made or furnished;

REGISTRATION NO. 7755
DEC 24 1974 - 5:12 PM

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