



FIRST & FARMERS BANK

6-210A056

P.O. Box 820
Somerset, Kentucky 42501
(606) 679-7451

No. _____
Date JUL 29 1986
Fee \$ 10.00
ICC Washington, D.C.

July 1, 1986

Interstate Commerce Commission
12th and Constitutional Ave. N. W.
Washington, D. C. 20423

15006
Filed 1425

JUL 29 1986 -1 55 PM

ATTN: Mildred Lee

INTERSTATE COMMERCE COMMISSION

Find enclose a security agreement signed by Betty Jo that we need to record a lein on the decribed railroad car with. Also enclosed is the \$10.00 fee for this recording.

Betty Jo- Party -pledging the security
Lakeside Office
Park D
599 North Ave.
Wakefield, Mass. 01880

First & Farmers Bank of Somerset - Party taking this security
P. O. Box 820
Somerset, Ky. 42501
Attn: Jerry Osborne
Phone # 1-606-679-7451

MOTOR OPERATING UNIT
JUL 29 1 45 PM '86
ICC OFFICE OF THE SECRETARY

Interstate Commerce Commission
Washington, D.C. 20423

7/29/86

OFFICE OF THE SECRETARY

FIRST & Farmers Bank
P.O.Box 820
Somerset, KY. 42501

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/29/86 at 1:55pm, and assigned re-
recording number(s). 15006

Sincerely yours,

Norata R. McGee

Enclosure(s)

SE-30
(7/79)

FINANCING STATEMENT AND SECURITY AGREEMENT

15006

JUL 29 1986 - 1 55 PM

July 1 1986 (DATE)

INTERSTATE COMMERCE COMMISSION

Betty Jo (NAME OF DEBTOR) Lakeside Office Park D, 599 North Ave., Wakefield, Mass. 01880 (ADDRESS) (CITY and STATE)

Hereinafter called "Debtor", whether one or more, at which address the property covered hereby is, or, promptly after making the loan herein referred to, will be located, for one Dollar and other valuable considerations, hereby grants to the First and Farmers Bank of Somerset, Kentucky, hereinafter called "Bank", a security interest pursuant to the Uniform Commercial Code of Kentucky, in and to the following described property together with all replacements thereof and all accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith, and if livestock or farm crops, said security interest includes all natural increases thereof:

50ft., 70 ton railroad box car, Maryland Midland Railroad reporting marks- MMID-115

which property hereinafter collectively referred to as "Goods". If housetrailer, machinery or equipment, shall become affixed or related to realty as to become a part thereof, the same will be located upon the following described property which is owned of record by

and the debtor agrees and pledges to deliver to Bank waiver by owner of realty covering the goods therein. If crops, this agreement includes annual and perennial crops and products thereof, growing or planted on the following described property:

The record owner of the land is

This security interest is given to secure the performance of the covenants and agreements herein set forth and for payment of an indebtedness in the face amount of \$ 14,963.63

as evidenced by a promissory note(s) dated 7-1-1986, executed by Debtor payable to the order of said Bank at its office in Somerset, Kentucky, with interest thereon as stated in said note(s), until paid; and for the payment of all extensions and renewals of said notes(s), and all changes in form of said indebtedness which may be from time to time effected by agreement between Bank and Debtor; and for all advances made by Bank for taxes, levies, insurance and repairs or maintenance of said goods, and for all costs and expenses incurred in the collection of same and enforcement of Bank's rights hereunder; and for all money heretofore or hereafter advanced by Bank to or for the account of Debtor at the option of the Bank, and all other present or future, direct or contingent liabilities of Debtor to Bank of any nature whatsoever; and for interest on any money expended by Bank for taxes, levies, insurance, repairs to and maintenance of said goods, and interest on any money expended for costs and expenses incurred in the collection of said note(s) and enforcements of the Bank's rights hereunder. Proceeds of collateral are also covered; however, such shall not be construed to mean that the secured party consents to any sale of such collateral.

The proceeds of the note(s) are to be paid, at the Bank's election, to the seller of said goods, and Debtor hereby authorizes Bank to do so, or to the Debtor who will apply the loan proceeds to the payment of the purchase price of the goods within three days from date, or to the Debtor.

Debtor warrants, covenants and agrees that: The property is, or is to be used by Debtor primarily; 1. [X] in business, 2. [] for personal or household purposes, 3. [] in farming operations, or use.

The rights and privileges of Bank under this agreement shall inure to the benefit of its successors and assigns. All covenants, representations, warranties and agreements of Debtor contained in this agreement are joint and several if Debtor is more than one and shall bind Debtor's representatives, heirs, successors, and assigns. If any provision of this agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision thereof, but this agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE. UNDERSIGNED ACKNOWLEDGES RECEIPT BEFORE SIGNING OF AN EXACT COPY OF ABOVE, COMPLETELY FILLED IN.

FIRST & FARMERS BANK of SOMERSET

[Signature] DEBTOR

DEBTOR

DEBTOR

[Signature] AUTHORIZED OFFICER

DEBTOR FURTHER REPRESENTS, WARRANTS AND AGREES THAT:

The statements herein as to Debtor's residence and possession and location of the property specifically described herein are true, and that Debtor has or will acquire absolute title thereto free and clear of all liens, encumbrances and Security Interests except the Security Interest hereby given to Bank and other rights, if any of Bank and Debtor will defend the goods against the claims and demands of all persons;

Without the prior written consent of Bank, Debtor will not sell, exchange, lease or otherwise dispose of the goods or any of Debtor's rights therein or under this agreement, or permit any lien or Security Interest to attach to same except that created by this agreement and other rights, if any, of Bank;

Debtor will maintain the goods in good condition and repair but without permitting any lien to affix to the goods as a result thereof, and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost of repairs to or maintenance of the same and will not permit anything to be done that may impair the value of any of the goods; if Debtor fails to pay such sums, Bank may do so for Debtor's account, adding the amount thereof to other amounts secured hereby;

Debtor will insure the goods against such casualties and in such amounts as Bank will require; all insurance policies shall be written for the benefit of Debtor and Bank as their interests may appear, and such policies or certificates evidencing the same shall be furnished to Bank. If Debtor fails to pay the premiums on any such insurance, Bank may do so for Debtor's account, adding the amount thereof to the other amounts secured hereby, however, Bank is under no obligation or has no duty to pay such premiums. Debtor hereby assigns to Bank any return or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Bank any amounts so due. Bank is hereby appointed Debtor's attorney-in-fact to endorse any draft or check which may be payable to Debtor in order to collect such return or unearned premiums or the proceeds of such insurance; any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to Debtor;

Debtor will not permit any of the goods to be removed from the location specified herein, except for temporary periods in the normal and customary use thereof, without the prior written consent of Bank, and will permit Bank to inspect the Goods at any time.

Debtor will not permit anything to be done that may impair the value of the goods or the security intended to be afforded by this agreement:

Debtor will pay all costs of filing any financing, continuation or termination statements with respect to the Security Interest created by this agreement; Bank is hereby appointed Debtor's attorney-in-fact to do, at Bank's option and at Debtor's expense, all acts and things which Bank may deem necessary to perfect and continue perfected the Security Interest created by this Agreement and to protect the goods;

In the event that Debtor makes a claim or defense to payment of the promissory note secured hereby pursuant to the provisions of Part 433, Title 16, of the Code of Federal Regulations and any sum is paid to or credit is given to Debtor, then bank shall become subrogated to the rights of the Debtor to the extent that payment is made or credit is given.

Debtor agrees that if the chattel described herein are for personal, family or household use and a claim is made at any time that he or she is entitled to make a claim or defense pursuant to Part 433, Title 16, of the Code of Federal Regulations, notice of such claim or defense shall be given to the Bank at the same time as is given to the Seller of the Collateral.

Default. At the option of Bank and without necessity for demand or notice, the happening of any of the following events shall constitute a default:

- (a) Failure of Debtor to pay when due any obligation secured by this Security Agreement, or any installment on any such obligation;
- (b) Failure of Debtor to keep or perform any of the terms or provisions of this Security Agreement or of any note or other evidence of any obligation secured by this Security Agreement;
- (c) Any warranty, representation or statement made herein or otherwise furnished to Bank by or on behalf of Debtor proves to be false in any material respect;
- (d) Loss, theft, damage, destruction or encumbrance of the Goods, or any part thereof, or the making of a levy, seizure or attachment thereof or thereon;
- (e) The sale or other disposition of the Goods or any interest therein without the prior written consent of Bank;
- (f) The Goods should become the subject matter of litigation which might, in the opinion of the Bank, result in substantial impairment or loss of the security intended to be provided by this Security Agreement;

(g) Any of the following by or to Debtor or to any guarantor or endorser of any obligation secured by this Security Agreement: Death (if an individual; any failure in business; any general assignment for the benefit of creditors; the filing of any petition for relief under the provisions of the Bankruptcy Act, or for relief under any insolvency law, either voluntarily or involuntarily; dissolution, termination of existence, or appointment of a receiver of any part of the property of Debtor;

(h) Bank should deem itself insecure, or Bank in good faith believes that the prospect for payment of any obligation secured by this Security Agreement, or any installment on any such obligation has been impaired;

(i) If Debtor is a corporation, any event should occur (including without limitation, transfer, sale or other disposal of shares of Debtor by the shareholders on the date of this Security Agreement) which would cause fifty percent or more of the then outstanding shares of Debtor to be owned by persons other than one of the shareholders of Debtor on the date of this Security Agreement, without Debtor having first received the prior written consent of Bank;

(j) Debtor or any guarantor or endorser of any obligation secured by this Security Agreement should default in any obligation to or agreement with any person or entity by which Debtor or such guarantor or endorser or any of their properties are bound.

Remedies. Upon any default under this Security Agreement, Bank may at its option declare any and all obligations secured by this Security Agreement immediately due and payable; and, in addition to exercising all other rights or remedies, proceed to exercise with respect to the Goods all rights, options and remedies of a secured party upon default as provided for under the Uniform Commercial Code. The rights of Secured Party upon default shall include, without limitation, the following:

(a) The right to the immediate possession of the Goods without requirement of notice or demand, or of any legal process. In exercising this right, Bank may enter into the premises of Debtor, without requirements of any legal process, and Bank may pursue the Goods wherever it may be found. After retaking possession, Bank shall be entitled to sell the Goods at public or private sale, in accordance with the requirements of the Uniform Commercial Code, or other law regulating such sale.

(b) The right to recover the reasonable expenses of preparing the Goods for sale, and for selling the Goods and other like expenses, together with court costs and reasonable attorney fees incurred in realizing upon the Goods or enforcing any provision of this Security Agreement.

(c) The right to require Debtor to assemble the Goods and make it available to Bank at a place to be designated by Bank which is reasonable and convenient to both parties.

(d) The right to require Debtor to store the Goods, at its own costs and risk, on behalf of Bank after Bank has retaken possession of Goods. Such storage shall be in such manner as to prevent any deterioration of the Goods, and shall be for a reasonable time pending the sale or other disposition of the Goods.

(e) The right to proceed by appropriate legal process to enforce any provisions of this Security Agreement or in aid of the execution of any power of sale, or for foreclosure of the security interest of Bank, or for the sale of the Goods under the judgment or decree of any court.

Remedies Cumulative. The rights and remedies of Bank in this Security Agreement shall be deemed to be cumulative, and any exercise of any rights or remedies by Bank shall not be deemed to be an election of that right or remedy, to the exclusion of any other right or remedy.

No Waivers. Any forbearance, failure or delay by Bank in the exercise of any right, power, or remedy hereunder shall not be deemed to be a waiver of any such right, power or remedy and any single or partial exercise of any right, power or remedy, shall not preclude the further exercise thereof. Every right, power and remedy of Bank shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by Bank.

Notice. Any requirement of the Uniform Commercial Code of reasonable notice, whether to Debtor or to any other party, shall be met if such notice is mailed, postage prepaid, to Debtor, or as the case may be, to such other party to whom notice is required, at the address shown for each of them respectively on the records of Bank at least five days before the time of sale, disposition or other event or thing giving rise to the requirement of notice.

Severability. Any provision of this Security Agreement prohibited by any law applicable to this Security Agreement shall be ineffective to the extent of such prohibition without invalidating or affecting in any manner the remaining provisions of this Security agreement. If any part, term or provisions of this Security Agreement is held by any court to be illegal, or in conflict with any law applicable to this Security Agreement, the rights and obligations of the parties shall be construed and enforced as if this Security Agreement did not contain that particular part, term or provision.

The following "Notice" and provision is applicable only if this is a "Consumer Credit Contract" as that term is defined in Part 433 of Title 16 of the Code of Federal Regulations.

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The holder hereof shall become subrogated to the extent of any payment made or credit given the maker hereof in compliance with the above "Notice".