

ROSE LAW FIRM

A PROFESSIONAL ASSOCIATION  
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14062  
RECORDATION NO. Filed 1425

JUN 20 1983 12 31 PM

INTERSTATE COMMERCE COMMISSION

3-171A023

No. JUN 20 1983  
Date.....  
Fee \$ 50.00

June 16, 1983

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W. ICC Washington, D. C.  
Washington, D.C. 20423

Re: Filing of Security Agreement/Mortgage in favor of Worthen Bank & Trust Company, N.A., Little Rock, Arkansas from MAYCO & Associates of North Carolina, Inc.

Dear Ms. Lee:

Enclosed you will find the original and one notarized copy of the Security Agreement/Chattel Mortgage on four railroad hopper cars, more fully described on Exhibit "A" of the Security Agreement/Chattel Mortgage. Please file the Security Agreement/Chattel Mortgage in accordance with applicable federal law, and return the file marked notarized copy for our records.

The parties to this transaction are as follows:

RECEIVED  
JUN 20 12 21 PM '83  
I.C.C.  
FEE OPERATION BR.

Debtor/Mortgagor - MAYCO & Associates of North Carolina, Inc.  
310 Broad Street  
P. O. Drawer 847  
New Bern, North Carolina 28561

Secured Party - Worthen Bank & Trust Company, N.A.  
200 West Capitol Avenue  
Little Rock, Arkansas 72201

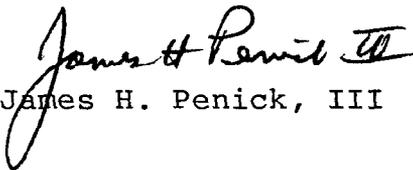
The hopper cars are part of a management agreement out of BRAE Corporation of San Francisco, California, located at Suite 1760, 3 Embarcadero, San Francisco, California 94111.

Page Two  
Ms. Mildred Lee  
June 16, 1983

I have also enclosed the \$50 filing fee which you have requested.

If any further information is needed, please contact us immediately. Thank you for your cooperation.

Very truly yours,

  
James H. Penick, III

JHP:tlk  
Enclosures

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

6/20/83

**OFFICE OF THE SECRETARY**

James H. Penick, III  
Rose Law Firm  
120 East Fourth Street  
Little Rock, Arkansas 72201

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/20/83 at 12:30pm, and assigned re-  
recording number(s). 14062

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

14062

RECORDATION NO. \_\_\_\_\_ Filed 1425

JUN 20 1983 11:30 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

This AGREEMENT made this 14th day of June, 1983, between MAYCO & Associates of North Carolina, Inc. (herein called the "Debtor"), whose business address is 310 Broad Street, P.O. Drawer 847, New Bern, N.C. 28561 and Worthen Bank & Trust Company, N.A. (the "Lender").

To secure the payment of an indebtedness now and from time to time outstanding under a Promissory Note of even date herewith and interest thereon (herein collectively called the "Obligations"), the Debtor hereby grants and conveys to the Lender a security interest in, and mortgages to the Lender the property described in Exhibit "A" attached hereto, together with all additions and accessions thereto (herein collectively called the "Collateral").

1. THE DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

A. To pay and perform all of the Obligations secured by this Agreement according to their terms.

B. To defend the title to the Collateral against all persons and against all claims and demands whatsoever, which Collateral, is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances taxes and assessments.

C. On demand of the Lender to furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Agreement and execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Lender in the Collateral.

D. To retain possession of the Collateral during the existence of this Agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same without the written consent of the Lender, except such property held in inventory by the Debtor for sale or resale in the

ordinary course of business for such consideration representing, in the opinion of the Debtor, the full value of such property.

E. To keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments other than liens in favor of the Lender.

F. To pay, when due, all taxes, assessments and license fees relating to the Collateral.

G. To keep the Collateral, at the Debtor's own cost and expense, in good repair and condition and available for inspection by the Lender at all reasonable times.

H. To keep the Collateral insured at all times against loss by collision, fire, theft and other casualties in such form and amounts and with such companies as shall be satisfactory to the Lender. Certificates or policies of insurance shall be payable to the respective parties as their interest may appear and shall be deposited with the Lender who is authorized, but under no duty, to obtain such insurance upon failure of the Debtor to do so. The Debtor shall give immediate notice to the Lender and to insurers of loss or damage to the Collateral and shall promptly file proofs of loss with insurers.

## 2. GENERAL PROVISIONS:

A. Waiver of or acquiescence in any Default by the Debtor, or failure of the Lender to insist upon strict performance by the Debtor of any warranties or agreements in this Agreement, shall not constitute a waiver of any subsequent or other Default or failure.

B. Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing.

C. The Uniform Commercial Code in effect in the State of Arkansas shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision of this Agreement.

D. The following shall constitute a default by the Debtor (herein called a "Default"):

1. Failure to pay when due the principal of or interest on any indebtedness outstanding pursuant to the Note or the performance of any obligation thereunder or under any instrument provided for therein.

2. Failure by the Debtor to comply with or perform any provision of this Agreement.

3. False or misleading representations or warranties made or given by the Debtor in connection with this Agreement.

4. Subjection of any item of the Collateral to levy of execution or other judicial process.

5. Commencement of any insolvency proceeding by or against the Debtor which shall not have been stayed or dismissed within 60 days.

6. Any reduction in the value of the Collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligations herein.

E. Upon any Default of the Debtor and at the option of the Lender, the Obligations secured by this Agreement shall immediately become due and payable in full without notice or demand and the Lender shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds therefrom as are accorded to secured parties by the applicable sections of the Uniform Commercial Code. The Debtor hereby authorizes and empowers the Lender, with the aid and assistance of any person or persons, to enter any place or places where the Collateral is or may be placed, and to take and carry away all or part of the Collateral.

Upon any Default and upon demand, the Debtor shall assemble the Collateral and make it available to the Agent at the place and at the time designated in the demand.

Upon any Default, the Lender's reasonable attorneys' fees and the legal and other expenses for the enforcement of this Agreement and for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral shall be paid by the Debtor.

The Debtor shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay any such deficiency forthwith on demand.

If the Debtor shall default in the performance of any of the provisions of this Agreement on the Debtor's part to be performed, the Lender may perform same for the Debtor's account and any monies expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby.

F. The Lender is hereby authorized to file Financing Statements.

G. The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns.

H. The Debtor will pay all costs and expenses in connection with the preparation, execution and enforcement of this Agreement and the documents provided for herein, all fees of recording and filing and all taxes (including penalties and interest, if any, assessed thereon) payable in connection therewith, and will pay the reasonable fees of counsel for the Lender.

I. This Agreement and the documents provided for herein shall be governed by, and construed in accordance with, the laws of the State of Arkansas.

The proceeds of any sale of any of the Collateral shall be applied as follows:

1. FIRST. To the payment of the costs and expenses of such sale, including a reasonable compensation to

agents and attorneys of the Lender, and all charges, expenses, liabilities and advances incurred or made by the Lender to the payment of all taxes, assessments or liens, if any, prior to the lien of this Security Agreement, except any taxes, assessments or liens subject to which such sale shall have been made;

2. SECOND. To the payment of the whole amount then due and unpaid for principal and interest upon the Obligations of Debtor; and

3. THIRD. The surplus, if any, shall be paid to the Debtor, its successors or assigns, or to whoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

IN WITNESS WHEREOF, the parties have respectively signed this Agreement as of the date and year first above written.

MAYCO & ASSOCIATES OF  
NORTH CAROLINA, INC.

By: \_\_\_\_\_

WORTHEN BANK & TRUST COMPANY,  
N.A.

By: Carole J. Smith

ATTEST:

Rebekah J. R. Wright

ACKNOWLEDGMENT

STATE OF ARKANSAS )  
 ) SS.  
COUNTY OF PULASKI )

On this day before me, a Notary Public, duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person John B. May and President, who stated that they were the President and \_\_\_\_\_, respectively, of MAYCO & Associates, a North Carolina corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said Corporation, and further stated that they had so signed, executed and delivered said instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 14th day of June, 1983.

Wilma Jean Russell  
Notary Public

My Commission Expires:

11-29-90

(S E A L)

ACKNOWLEDGMENT

STATE OF ARKANSAS )  
 ) SS.  
COUNTY OF PULASKI )

On this 14th day of June, 1983, before me, a Notary Public, duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Carole J. Smith and \_\_\_\_\_, to me personally well known as the Vice President and \_\_\_\_\_, respectively of Worthen Bank & Trust Company, N.A., a national banking association, and who stated and acknowledged that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 14th day of June, 1983.

Wilma Jean Russell  
Notary Public

My Commission Expires:

11-29-90

(S E A L)

EXHIBIT "A"

Four (4) Covered Railroad Hopper Cars - Serial Numbers BRAX 260205, BRAX 260206, BRAX 260207, and BRAX 260208; Also, all income, profits, proceeds, additions and accessions thereto; and all rents, income, profits, proceeds, and rights under that certain Management Agreement between John B. May and BRAE Corporation dated December 23, 1980, and all rents, income, profits, proceeds and rights under that certain Lease Agreement between John B. May and Farmers Union Grain Terminal Association dated October 29, 1980.