

WEINER, MCCAFFREY, BRODSKY & KAPLAN, P.C.

ATTORNEYS AT LAW

HARVEY E. WEINER  
R. LAWRENCE MCCAFFREY, JR.  
JAMES A. BRODSKY  
PETER E. KAPLAN  
IRVING P. MARGULIES  
MARK M. LEVIN  
RICHARD I. PEYSTER  
PETER A. GILBERTSON  
MARK H. SIDMAN  
L. MARK WINSTON\*\*  
RUGENIA SILVER  
MITCHEL H. KIDER  
KIMBERLY A. MADIGAN  
DEBORAH A. PHILLIPS  
RANDAL D. SHIELDS\*  
LESLIE C. BENDER\* \*\*  
MICHAELA A. THOMPSON\*  
KAREN C. REED\*  
JOHN DOCHERTY\*  
PAUL H. SCHIEBER\*

SUITE 800  
1250 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-4797

(202) 628-2000

TELECOPIER (202) 628-2011

SANFORD A. WITKOWSKI  
COUNSEL

OTTO J. HETZEL  
JOSEPH D. FEENEY\*  
OF COUNSEL

MARYLAND OFFICE

SUITE 905  
ARTERY PLAZA  
7200 WISCONSIN AVENUE  
BETHESDA, MD 20814-4804  
(301) 986-0886

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15262

JUL 15 1987 - 11 35 AM '87

INTERSTATE COMMERCE COMMISSION July 10, 1987

7-196A061

Date JUL 15 1987

Fee \$ 10.00

ICC Washington, D.C.

DELIVERED BY HAND

Ms. Noretta R. McGee  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Ms. McGee:

I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a security agreement, a primary document, together with a contract, dated June 24, 1987.

The names and addresses of the parties to the documents are as follows:

Borrower: Mississippi Delta Equipment Company  
421 Fourth Street  
P.O. Box 1446  
Clarksdale, Mississippi 38614

Lender: United Southern Bank  
P.O. Box 1059  
Clarksdale, Mississippi 38614

100 OFFICE OF THE SECRETARY  
JUL 15 11 41 AM '87  
NOTICE OPERATIONAL UNIT

\*NOT ADMITTED IN D.C.  
\*\*ADMITTED IN MD.

Ms. Noretta R. McGee

-2-

July 10, 1987

A description of the equipment covered by this document follows:

Twelve (12) railroad box cars and all parts, accessories and attachments thereto to be kept when not in use in Clarksdale, Mississippi, and numbered as follows: MSDR 55412, 12076, 12244, 12350, 12384, 13167, 13234, 13235, 560733, 562354, 562598, and 562918.

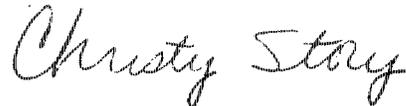
A check in the amount of ten dollars (\$10.00) is enclosed for the fee. Please return the original and any extra copies not needed by the Interstate Commerce Commission for recordation to:

Mark M. Levin, Esq.  
Weiner, McCaffrey, Brodsky & Kaplan, P.C.  
Suite 800  
1350 New York Avenue, N.W.  
Washington, D.C. 20005-4797

A short summary of the document to appear in the index follows:

Security Agreement together with a Contract, dated June 24, 1987, and covering twelve (12) railroad box cars and all parts, accessories and attachments thereto, and numbered as follows: MSDR 55412, 12076, 12244, 12350, 12384, 13167, 13234, 13235, 560733, 562354, 562598, and 562918.

Very truly yours,



Christy Story  
Government Relations Assistant

0946R/5520

Enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

July 15, 1987

OFFICE OF THE SECRETARY

Mark M. Levin, Esq.  
Weiner, McCaffrey, Brodsky & Kaplan, PC  
Suite 800  
1350 New York Avenue, N. W.  
Washington, D.C. 20005-4797

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/15/87 at 11:55 AM, and assigned re-  
recording number(s). 15262

Sincerely yours,

*Norita R. McGehee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

JUL 15 1987 - 11 55 AM

FORM No. 2

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Consumer Goods - Equipment - Farm Equipment  
Motor Vehicles except when inventory

MISSISSIPPI DELTA EQUIPMENT COMPANY

(Name)

421 Fourth Street                      Clarksdale      Coahoma                      Mississippi

(Street Address)

(City)

(County)

(State)

(hereinafter called "Debtor") a  Corporation \_\_\_\_\_, said  
(Corporation - Partnership - Individual)

address being Debtor's \_\_\_\_\_ place of business \_\_\_\_\_, hereby grants to  
(Place of Business - Residence)

UNITED SOUTHERN BANK

Clarksdale

Mississippi

(hereinafter called "Bank") a security interest in the following goods:

Twelve (12) Box cars as follows:

MSDR 55412	MSDR 13234	and all parts, accessories and attachments
" 12076	" 13235	thereto to be kept when not in use in
" 12244	" 560733	Clarksdale, Mississippi.
" 12350	" 562354	
" 12384	" 562598	
" 13167	" 562918	

together with all equipment, parts, accessories, attachments and replacements thereof and additions thereto, and all other goods of the same class whether now owned or hereafter acquired by Debtor (except after-acquired consumer goods acquired more than ten (10) days after the secured party gives value), and the proceeds thereof (hereinafter collectively called "Collateral"), to secure (1) payment of a note dated 6-24-87, executed and delivered by Debtor to Bank in the sum of \$ 33,600.00 payable as to principal and interest as therein provided; (2) further advances to be evidenced by like note or notes which may be made by Bank to Debtor; (3) all other liabilities (primary, secondary, direct, contingent, sole, joint or several) due or to become due or which may be hereafter contracted or acquired, of each Debtor to Bank; and (4) performance by Debtor of the agreements hereinafter set forth. Notwithstanding any provision in this agreement or in any other agreement with Bank, the Bank shall not have a nonpossessory security interest in and its Collateral shall not include any household goods (as defined in Federal Reserve Board Regulation AA, Subpart B), unless the household goods are identified in a security agreement and are acquired as a result of a purchase money obligation. Such household goods shall only secure said purchase money obligation (including any refinancing thereof).

DEBTOR REPRESENTS, WARRANTS AND AGREES AS FOLLOWS:

1. The Collateral will be used by Debtor primarily

\_\_\_\_\_ for personal, family or household purposes.

\_\_\_\_\_ in farming or ranching operations.

in business, and that all of Debtor's places of business are in the County above set forth except

\_\_\_\_\_ as fixtures, attached or to be attached to real estate owned or leased by \_\_\_\_\_  
and described as follows:

2. Debtor agrees to pay Bank: (a) the sums evidenced by all promissory notes executed pursuant to this agreement in accordance with the terms of the agreement and of the notes; (b) all sums, including reasonable attorney's fees and legal expenses, paid or incurred by Bank in pursuing any of its rights and remedies or in remedying any default pursuant to this agreement, with interest to be paid as provided in the note or notes; and (c) at Bank's option, the entire unpaid indebtedness to Bank, whether created or incurred pursuant to this agreement or otherwise, upon Debtor's default or if Bank deems itself insecure.

3. Debtor will promptly notify Bank, in writing, of any new place or places of business if the Collateral is used in business, or of any change in Debtor's residence if the Collateral is not used in business, and regardless of use, of any change in the location of the Collateral.

4. Debtor is the owner of the Collateral free and clear of all liens and security interests, or the Collateral is being acquired by Debtor with the proceeds of the note described above and Bank is authorized to disburse the proceeds of said loan directly to the seller of the Collateral as shown on Bank's records. Debtor will defend the Collateral against the claims and demands of all persons.

5. Unless Debtor has represented above that the Collateral is attached or will be attached to realty as a fixture and the real property is described herein, Debtor will not allow the Collateral to be attached to real estate in such manner as to become a fixture or a part of any real estate. Neither will Debtor allow the Collateral to become an accession to other goods without the Bank's approval.

6. Debtor will pay the Bank all amounts secured hereby as and when the same shall be due and payable, whether at maturity, by acceleration or otherwise, or when Bank deems itself insecure for any reason, and will perform all terms of said indebtedness and this or any other security or loan agreement between Debtor and Bank, and will discharge all said liabilities.

7. Debtor will at all times keep the Collateral insured against all insurable hazards in amounts equal to the full cash value of the Collateral. Such insurance shall be in such companies as may be acceptable to Bank, with provisions satisfactory to Bank for payment of all losses thereunder to Bank as its interest may appear, and, if required, to deposit the policies with Bank. Any money received by Bank under said policies may be applied to the payment of any indebtedness secured hereby, whether or not due and payable, or at Bank's option may be delivered by Bank to Debtor for the purpose of repairing or restoring the Collateral. Debtor assigns to Bank all right to receive proceeds of insurance not exceeding the amounts secured hereby, directs any insurer to pay all proceeds directly to Bank, and Bank is appointed Debtor's Attorney in Fact to endorse any draft or check made payable to Debtor in order to collect the benefits of such insurance. If Debtor fails to keep the Collateral insured as required by Bank, Bank shall have the right to obtain such insurance at Debtor's expense and add the cost thereof to the other amounts secured hereby.

8. Debtor will keep the Collateral in good condition and repair and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost of repairs to or maintenance of same, and will not permit anything to be done that may impair the value of any of the Collateral. If Debtor fails to pay such sums, Bank may do so for Debtor's account and add the amount thereof to the other amounts secured hereby.

9. Debtor will pay all costs of filing financing, continuation and termination statements with respect to the security interest created hereby and Bank is authorized to do all things which it deems necessary to perfect and continue perfected the security interest created hereby and to protect the Collateral.

10. Debtor will not permit any of the Collateral 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 Collateral at any time.

11. Debtor will not sell, exchange, lease or otherwise dispose of any of the Collateral without the prior written consent of Bank; permit any liens or security interests to attach to any of the Collateral except that created by this agreement; permit any of the Collateral to be levied upon under any legal process; or permit anything to be done that may impair the security intended to be afforded by this agreement. The inclusion of proceeds in this agreement does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized by the agreement.

12. Debtor shall be in default under this agreement: (a) when he has made any misstatement in connection with or has failed to pay or perform any of his obligations, agreements or affirmations under this or any other security agreement with Bank; (b) when any event occurs which results in acceleration of the maturity of the indebtedness of Debtor under any agreement with any person; (c) upon the death, dissolution, termination of existence or business failure of Debtor, or the appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding in bankruptcy or insolvency by or against, Debtor or any surety for Debtor; or (d) when Bank in good faith deems itself insecure and its prospect of payment impaired.

Until default in any of the terms hereof, or the terms of any indebtedness secured hereby, or until Bank deems itself insecure, Debtor shall be entitled to possession of the Collateral and to use the same in any lawful manner, provided that such use does not cause excessive wear and tear to the Collateral, cause it to decline in value at an excessive rate, or violate the terms of any policy of insurance thereon.

UPON DEFAULT, all sums secured hereby shall immediately become due and payable at Bank's option without notice to Debtor, and Bank may proceed to enforce payment of same and to exercise any or all rights and remedies provided by the Uniform Commercial Code of Mississippi or other applicable law, as well as all other rights and remedies possessed by Bank, all of which shall be cumulative. Whenever Debtor is in default hereunder, and upon demand by Bank, Debtor shall assemble the Collateral and make it available to Bank at a place reasonably convenient to Bank and Debtor. Any notice required to be given under the Uniform Commercial Code of Mississippi of sale, lease or other intended disposition of the Collateral by Bank sent to Debtor at the address specified above, or at such other address of Debtor as may be shown on Bank's records, at least five (5) days prior to such action, shall constitute reasonable notice to Debtor.

Bank may waive any default before or after the same has been declared without impairing its right to declare a subsequent default hereunder, this right being a continuing one.

In the event of default, it is agreed that the Bank shall have the right to set off the balance due on any notes executed pursuant to this agreement in whole or in part against any deposits or monies credited or owing by the Bank to the Debtor or any party to such notes.

If any provision of this agreement is held invalid, such invalidity shall not affect the validity or enforceability of the remaining provisions of this agreement.

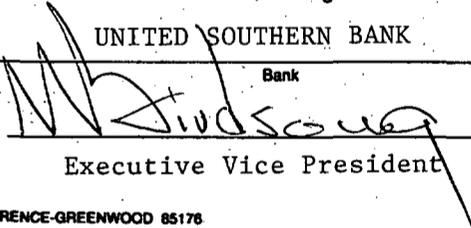
This agreement shall inure to the benefit of Bank's successors and assigns and shall bind Debtor's heirs, representatives, successors and assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several.

IN WITNESS WHEREOF, this agreement has been executed this 24th day of June, 19 87.

UNITED SOUTHERN BANK

Bank

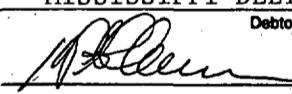
By

  
Executive Vice President

MISSISSIPPI DELTA EQUIPMENT COMPANY

Debtor

By

  
President

MISSISSIPPI DELTA EQUIPMENT CO. 421 Fourth St. P. O. Box 1446 Clarksdale, MS 38614	UNITED SOUTHERN BANK Box 1059 Clarksdale, MS 38614	RRB Loan Number Date Maturity Date Loan Amount \$ Renewal Of
<b>BORROWER'S NAME AND ADDRESS</b> "I" includes each borrower above, jointly and severally.	<b>LENDER'S NAME AND ADDRESS</b> "You" means the lender, its successors and assigns.	6-24 1987 12-24 1989 33,600.00 N

I promise to pay to you, or your order, at your address listed above the  
**PRINCIPAL** sum of --- Thirty-three thousand six hundred and no/100 ----- Dollars \$ 33,600.00

- Single Advance:** I have received all of this principal sum. No additional advances are contemplated under this note.  
 **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. As of today I have received the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.

**Conditions:** The conditions for future advances are \_\_\_\_\_

- Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires no later than \_\_\_\_\_ 19\_\_\_\_.
- Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

**PURPOSE:** The purpose of this loan is purchase, repair, and paint twelve box cars

- INTEREST:** I agree to pay interest on the principal balance(s) owing from time to time as stated in this section.
- Fixed Rate:** I agree to pay interest at the fixed, simple rate of \_\_\_\_\_ % per year.
- Variable Rate:** I agree to pay interest at the initial simple rate of 10.25 % per year. This rate may change as stated below.
- Index Rate:** The future rate will be 2% the following index rate: First TN Bank's base rate

- No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.
- Frequency and Timing:** The rate on this note may increase as often as the index rate changes  
An increase in the index will take effect the following day

- Limitations:** The rate on this note will not at any time (and no matter what happens to any index rate used) go above or below these limits:
- Maximum Rate:** The rate will not go above \_\_\_\_\_
- Minimum Rate:** The rate will not go below \_\_\_\_\_

**Post Maturity Rate:** I agree to pay interest on the principal owing after maturity, and until paid in full, as stated below:

on the same fixed or variable rate basis in effect before maturity (as indicated above).

at a rate equal to \_\_\_\_\_

**ADDITIONAL CHARGES:** In addition to interest, I  have paid,  agree to pay the following additional charges: \_\_\_\_\_

**PAYMENTS:** I agree to pay this note as follows:

**Interest:** I agree to pay accrued interest on 12-24-87, 3-24-88, 6-24-88, 9-24-88, 12-24-88, 3-24-89, 6-24-89, 9-24-89 and 12-24-89

**Principal:** I agree to pay the principal \_\_\_\_\_

**Installments:** I agree to pay this note in 8 payments. The first payment will be in the amount of \$ 4,200.00 and will be due March 24 19 88. A payment of \$ 4,200.00 will be due on the 24th day of each quarter thereafter. The final payment of the entire unpaid balance of principal and interest will be due December 24 19 89.

- Effect of Variable Rate:** An increase in the interest rate will have the following effect on the payments:
- The amount of each scheduled payment will be increased.
- The amount of the final payment will be increased.
- \_\_\_\_\_

**ADDITIONAL TERMS:**

**SECURITY:** This note is secured by twelve (12) railroad box cars and personal guaranty of Pete Clausen.

If checked, no agreement was signed today securing this note.  
(This section is for your internal use. It may not include every agreement or item of collateral securing this note. You will not lose any security by omitting it from this section.)

**SIGNATURES:** I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON THE OTHER SIDE). I have received a copy on today's date.

MISSISSIPPI DELTA EQUIPMENT COMPANY

BY: [Signature]  
President

[Signature]

