

BRUNINI, GRANTHAM, GROWER & HEWES  
ATTORNEYS AT LAW  
1400 FIRST NATIONAL BANK BUILDING  
JACKSON, MISSISSIPPI 39201

EDMUND L. BRUNINI  
JOHN M. GROWER  
GEORGE P. HEWES, III  
JOHN A. WELSCH, JR.  
NEWT P. HARRISON  
RICHARD W. DORTCH  
LEIGH B. ALLEN, III  
JOHN R. HUTCHERSON  
EDMUND L. BRUNINI, JR.  
LAWRENCE E. ALLISON, JR.  
CHARLES P. ADAMS, JR.  
W. DAVID WATKINS  
HOLMES S. ADAMS  
WILLIAM L. SMITH  
JEFFERSON D. STEWART

ROBERT D. DRINKWATER  
CHRISTOPHER A. SHAPLEY  
LESLIE H. SOUTHWICK  
R. DAVID KAUFMAN  
JOHN E. MILNER  
R. WILSON MONTJOY, II  
WALTER S. WEEMS  
ALFRED H. RUEMKE  
LAVONE R. WARREN  
JAMES A. KEITH  
JOSHUA J. WIENER  
JOHN M. LOPER  
W. RODNEY CLEMENT, JR.  
BROOKS EASON  
JOHN E. WADE, JR.

March 5, 1984

14286

RECORDATION NO. .... Filed 1425

MAR 8 1984 - 12 15 PM

MAILING ADDRESS:  
P. O. DRAWER 119  
JACKSON, MISSISSIPPI 39205

TELEPHONE:  
601-948-3101

COUNSEL  
R. GORDON GRANTHAM  
FRANK E. EVERETT, JR.

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission  
12 Street & Constitution Avenue, N.W.  
Washington, D. C. 20423

Attention: Mildred Lee, Room 2303

Dear Ms. Lee:

Pursuant to our earlier telephone conversation, I am enclosing the original, a notarized copy and an extra copy of a Security Agreement along with a check in the amount of \$50.00 for filing fee. The following parties are involved in said Security Agreement:

Mueller Brass Co.  
1925 Lapeer Avenue  
Port Huron, Michigan 48060

and

The Mississippian Railway, Inc.  
Post Office Box 30  
Amory, Mississippi 38821

I am attaching a list of collateral descriptions also per your request. Also enclosed is a self-addressed stamped envelope. Please return a file stamped copy of the Security Agreement to me at your earliest convenience. If you should have any questions, please feel free to contact me.

Sincerely,

BRUNINI, GRANTHAM, GROWER & HEWES

*Robin C. Camp*

Robin C. Camp

RCC:sck

Enclosures

No. 4-068A-041  
MAR 8 - 1984  
Date.....  
Fee \$ 50.00  
ICC Washington, D. C.

RECEIVED  
MAR 8 12 27 PM '84  
FEE OPERATION BR.  
L.C.C.

100  
PK

ATTACHMENT A

(2) 8,000 gallon fuel tanks with fuel house including electric pump

✓(2) Alco model S-1 diesel-electric locomotives: #75355 and #77080

✓(1) Caboose - Mississippian #103, rebuilt 1977

✓(1) Boxcar, type XM, SLSF 451, ~~453, 457~~ *PK*

(1) Motorola train radio system including base station, locomotive radio, satellite stations - Fulton, truck unit

✓(1) Flatcar, Mississippi #320

✓(1) Hopper car, type HM, SLSF #92500

(1) Steam pile driver, (2) flat cars, Mississippian #263

(4) Old Fairmount motor cars

(1) Weed killer car

(1) Jackson generator, model #M-22A

(1) Tamper Jackson maintainer

(1) "Little Giant" crane, on International truck

(1) Davey air compressor, model 105

(1) Ford 3/4-ton pickup truck with hi-rail

(1) Putnam Machine Co. wheel lathe

(1) Old arc welder, "shield arc", type sae 400

(1) Citation Manufacturing Co. steam cleaner

(1) Scotsman ice maker

(1) Water cooler

(1) Lodge Davis lathe, model 55-S

(1) Lathe

(1) William Barker Company shaper

(1) Hisey Wolf floor model grinder, type 5U

(1) Oster Manufacturing Co. threader, model #502

(1) Fox Machine Co. press, type 6, serial #1451

(1) Peerless power hack saw

(1) Diesel fuel pump

(2) Jacks (50 ton) Duff Norton

(1) Hi-pot machine

*REF*  
*RDK*

- (2) Push cars - Fairmont
- (2) Push cars
- (1) Air compressor - Ingersoll-Rand
- (1) Air drill - Ingersoll-Rand
- (1) Air wrench - Ingersoll-Rand
- (1) Rail saw - Racine
- (1) Rail Drill - Racine
- (1) Rail puller - Jackson
- (1) Chevrolet Impala automobile, 1975 model,  
Serial No. 1L69U5S117526

All of that certain railroad track, together with all switches, frogs, spikes, anchors, angle bars, bolts, plates, and other rail appurtenances thereto belonging, located between the Mississippi communities of Fulton and Amory acquired from Mississippian Railway

And all other goods, equipment, fixtures, accounts, receivables (excluding car hire revenues), franchises and other intangibles owned by Debtor and used in its railway operations within the State of Mississippi.

The above Collateral, some of which may be fixtures, shall be used in connection with the real estate described hereafter:



TRACT III:

A strip of land 150 feet wide from East to West and running from North to South across Lot No. 12 in the Outside Donation, Town of Fulton, Itawamba County, Mississippi, running from the North side of the Bankhead Highway (Highway #78) to the street known as "Hill Street" there being on the West side of the center of the Mississippian Railway a distance of 40 feet, and on the East side of the center of said railway a distance of 110 feet, the said railway running parallel with the East and the West boundary line of said tract of land.

TRACT IV:

A tract of land in Block Number 15 in the Outside Donation of the Town of Fulton, Itawamba County, Mississippi, beginning at the Southeast corner of Block Number 15, the same being at a point which is 161 feet East of the centerline of the Mississippian Railway; thence West 201 feet; thence North 200 feet; thence North 30 degrees 30 minutes West to a large pine tree located near the brow of the hill to the North boundary line of the Itawamba County Agricultural High School property; thence East along and with said North boundary line to the Northeast corner of said property; thence South to the point of beginning.

LESS AND EXCEPT the following described land: 11.87 acres in Block 15 in the Outside Donation of the Town of Fulton, Itawamba County, Mississippi, located in the South Half of Section 24, Township 9 South, Range 8 East, and in the North Half of Section 25, Township 9 South, Range 8 East, Itawamba County, Mississippi, according to the survey thereof on file in the office of the Chancery Clerk of Itawamba County, Mississippi, described as follows: Commencing at the Southwest Corner of Section 24, Township 9 South, Range 8 East, Itawamba County, Mississippi; thence East for a distance of 2032.38 feet; thence North 23 degrees 00 minutes East for a distance of 253.68 feet; thence South 85 degrees 21 minutes East for a distance of 443.85 feet; thence South 13 degrees 57 minutes East for a distance of 55.90 feet to the point of beginning; thence South 70 degrees 07 minutes East for a distance of 332.59 feet; thence North 65 degrees 05 minutes East for a distance of 503.79 feet; thence South 05 degrees 45 minutes West along a line that is 25.0 feet West of the centerline of the Mississippian Railroad main track and said line running parallel to the centerline of said main tract for a distance of 1565.11 feet to a point on the North right-of-way line of Hill Street; thence North 82 degrees 32 minutes West along the North right-of-way line of Hill Street for a distance of 15.00 feet; thence North 07 degrees 15 minutes East for a distance of 200.00 feet; thence North 30 degrees 20 minutes West for a distance of 1069.35 feet; thence North 13 degrees 57 minutes West for a distance of 344.97 feet to the point of beginning, lying, being and situated in the Town of Fulton, Itawamba County, Mississippi.



Tracts III and IV were conveyed to John T. Cochrane by the Board of Trustees of the Itawamba County Agricultural High School by deed dated October 21, 1925, and recorded in Book 4 at Page 233 of the land records of Itawamba County, Mississippi. This deed provides that the property conveyed shall revert to the grantor, if it shall not continue to be used for a railroad right-of-way, depot, sidetracks and warehouses; therefore, there is excepted from the covenants of warranty herein contained, as to Tracts III and IV, the possibility of reverter set out in the aforesaid deed.

TRACT V:

All that part of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West, lying on the East side of the St. Louis-San Francisco Railroad as now located; and also all of that part of the Northeast Quarter of the Northeast Quarter of Section 1, Township 13, Range 19 West, Monroe County, Mississippi, lying on the East side of the St. Louis-San Francisco Railroad as now located, and containing 30 acres, more or less, excepting therefrom the following five parcels of land heretofore sold:

Parcel No. 1:

All that portion of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West in Monroe County, Mississippi, lying and being situated within 100 feet of the center line of the main line of railroad of Mississippiian Railway as now located across said subdivision, or within 100 feet of the center line of the wye, as now located therein (excepting therefrom the right-of-way of the Amory and Hatley public road and the right-of-way of the St. Louis-San Francisco Railroad Company) sold to Mississippiian Railway.

Parcel No. 2:

All that part of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West, and also all of that part of the Northeast Quarter of the Northeast Quarter of Section 1, Township 13, Range 19 West, lying on the East side of the St. Louis-San Francisco Railroad as now located and South of the Mississippiian Railway right-of-way as now located, and West of the Amory and Hatley public road as now located, less a block of one acre, more or less, now owned and occupied by the St. Louis-San Francisco Railroad Company, sold to Fred G. Cowden.

Parcel No. 3:

Beginning at the Southeast corner of Section 36, Township 12, Range 19 West; thence North 15 feet, more or less, to the North line of the public road; thence Northwardly along the North line of the public road to a point that is 15 feet West,

measured at right angles from the East line of Section 36, said point being the point of beginning of the parcel of land conveyed; thence in a Northwestwardly direction following the North line of the public road 500 feet to a point; thence North and parallel to the East line of Section 36, 210 feet to a point; thence following a straight line in a Southeastwardly direction 500 feet, more or less, to a point measured 210 feet North from the point of beginning and 15 feet West of the section line; thence South 210 feet to the place of beginning, sold to W. C. Abrams and P. E. Abrams.

Parcel No. 4:

Beginning at a point 225 feet North and 15 feet West of the Southeast corner, Section 36, Township 12, Range 19 West, Monroe County, Mississippi; thence North and parallel to the East line of said Section 36 a distance of 375 feet to a point; thence Westward 475 feet to an iron stake 25 feet East of center of embankment for East leg of wye of Mississippian Railway; thence Southward 200 feet, more or less, to the Northwest corner of the property deeded by John T. Cochrane to W. C. and P. E. Abrams October 10, 1927, recorded in Book 95, Page 204; thence Southeast along North line of property of W. C. and P. E. Abrams 500 feet to point of beginning, sold to W. C. and P. E. Abrams.

Parcel No. 5:

Beginning at the Northeast corner of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West; thence South 87 degrees West 1,096 feet for a point of beginning; thence South 87 degrees West along fence 231 feet to the intersection of the right-of-way of Main Street; thence in a Southeasterly direction along said right-of-way of Main Street 229 feet; thence North 27 degrees, 30 minutes East 214 feet to the point of beginning, being .58 acre, more or less, sold to Nettie Lucille Carlisle.

TRACT VI:

Commencing at the Southeast Corner of the Southwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi, and running thence North 444.12 feet; thence West 590 feet to the East right-of-way of the Mississippian Railway; thence Southerly along the East boundary of the said Mississippian Railway right-of-way 444.12 feet; thence East 651.5 feet to point of beginning, and containing 6.33 acres, more or less, and being in the Northeast Quarter of the Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi.

TRACT VII:

Commencing at the Northeast Corner of the Northwest Quarter of the Southeast Quarter of the

  
RAK

Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi; and running thence South 330.2 feet; thence West 200 feet; thence North 90.5 feet; thence West 499 feet to the East right-of-way of the Mississippian Railway; thence Northerly along the East boundary of the said Mississippian right-of-way 239.7 feet; thence East 651.5 feet to point of beginning and containing 4.15 acres; more or less, and being in the Southeast Quarter of the Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi.

TRACT VIII:

A tract of land in the Northwest Quarter of Section 31, Township 12, Range 18, beginning at the Northeast intersection of Pennington Street and 4th Avenue South in the City of Amory; thence East 74 feet; thence North 190 feet along Pullman Couch Street; thence West 74 feet to Pennington Street; thence South 190 feet to the point of beginning, containing .32 acre, more or less, in Monroe County, Mississippi.

TRACT IX:

Beginning at the Southeast Corner of the West Half of the Southwest Quarter of Section 6, Township 12, Range 9 East; thence West 7 chains, 50 links; thence North 20 chains; thence East 5 chains and 92 links; thence North 20 chains; thence West 4 chains and 81 links; thence North 12 chains and 75 links; thence North 74-1/2 degrees East and 6 chains and 39 links; thence South 54 chains and 57 links to point of beginning, containing 27 acres, more or less, and being and lying in the West Half of the West Half of Section 6, Township 12, Range 9 East, Monroe County, Mississippi. Also 5 acres, more or less, off West Half of the Southwest Quarter, Section 6, Township 12, Range 9 East (beginning at corner of the C. Z. Byrd and R. E. Kynerd lands) on Section line and running North 20 chains; thence East 58 yards; thence South 20 chains; thence West 58 yards to place of beginning in Monroe County, Mississippi. There is excepted from all of the above-described property a right-of-way 50 feet wide along the West side of and measured from the centerline of the track of the Mississippian Railway, as the same is now located, and there is also excepted a right-of-way 50 feet wide or so much thereof as lines within the above-described property, along the East side of and measured from the centerline of the tracks of the Mississippian Railway wherever any of the above-described property lies East of the centerline of the track of the Mississippian Railway, as the same is now located in Monroe County, Mississippi.

Also, beginning at the Southeast Corner of a tract containing 12.88 acres in the West Half of the Northwest Quarter of Section 6, Township 12, Range 9, described in Deed recorded in Book 87 at Page 504 of the Records of Deeds in Monroe County, Mississippi; thence South 87 rods; thence

East 20.2 rods; thence North 87 rods; thence West 20.2 rods to the place of beginning, containing 10 acres, more or less, and being in the West Half of the Southwest Quarter of Section 6, Township 12, Range 9.

LESS AND EXCEPT the following 6 parcels from TRACT IX:

Parcel No. 1:

Beginning at the Southeast Corner of the Southwest Quarter of the Southwest Quarter of Section 6, Township 12 South, Range 9 East; thence West along the Section line 10 chains and 13 links to the Southwest Corner of the East Half of the Southwest Quarter of the Southwest Quarter of said Section; thence North 20 chains; thence East 10.13 chains; thence South 20 chains to the point of beginning, containing 20 acres, more or less, being the East Half of the Southwest Quarter of the Southwest Quarter of Section 6, Township 12, Range 9.

Parcel No. 2:

The West Half of Desoto Street lying between Blocks 2 and 3 of First New Smithville Addition to the Town of Smithville, and the West right-of-way line of the Mississippian Railway, more particularly described: Beginning at the Southeast Corner of Block 3 of First New Smithville Addition and run thence East 14 feet to the center of Desoto Street to the point of beginning; thence North along the centerline of Desoto Street 550 feet to a point 14 feet East of the Northeast Corner of Block 2 of First New Smithville Addition; thence East 14 feet to the East line of Desoto Street and the West right-of-way line of the Mississippian Railroad; thence South 550 feet; thence West 14 feet to the point of beginning.

Parcel No. 3:

Beginning at a stake 353 feet South of the Northwest Corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, and running thence East 50 feet; thence South 1 foot and 10 inches for point of beginning; thence South 198 feet and 2 inches; thence East 100 feet; thence North 200 feet; thence West 93 feet to the South right-of-way line of Mississippi State Highway No. 25; thence Southwesterly along the South boundary of said Mississippi State Highway No. 25 for a distance of 7 feet to the point of beginning. Said property being located in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, in the Town of Smithville, Monroe County, Mississippi.

Parcel No. 4:

Beginning at a stake 353 feet South of the Northwest Corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12,



Range 9 East, and running thence East 50 feet; thence South 1 foot and 10 inches; thence in a Northeasterly direction along the South boundary of Mississippi State Highway No. 25 a distance of 7 feet for a point of beginning; thence East 93 feet; thence North 26 feet to the South boundary of said Mississippi State Highway No. 25; thence in a Southwesterly direction along the South boundary of said Mississippi State Highway No. 25 a distance of 96 feet 5 inches to the point of beginning. Said parcel of land being located in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, Monroe County, Mississippi.

Parcel No. 5:

Commencing at the Northwest corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East; and running thence South 553 feet; thence East 50 feet for a point of beginning; thence East 100 feet; thence South 50 feet; thence West 100 feet; thence North 50 feet to the point of beginning, containing 11/100 acre, more or less, and lying and being in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, Monroe County, Mississippi.

Parcel No. 6:

Commencing at the Northwest Corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, and running thence South 603 feet; thence East 50 feet for a point of beginning; thence East 100 feet; thence South 90 feet; thence West 100 feet; thence North 90 feet to the point of beginning, containing 20/100 acre, more or less, and lying and being in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, Monroe County, Mississippi.

*[Handwritten signature]*  
11/11

Interstate Commerce Commission

Washington, D.C. 20423

3/8/84

OFFICE OF THE SECRETARY

**Robin C. Camp  
Brunini, Grantham, Grower & Hewes**

**1400 First Natl. Bank Bldg.**

**Jackson, Mississippi 39201**

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 **3/8/84** at **12:35pm** and assigned re-  
recording number(s). **14286**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30  
(7/79)

14286

RECORDATION NO. .... Filed 1984

MAR 8 1984 - 12 55 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

The MISSISSIPPIAN RAILWAY, INC., a South Carolina Corporation (hereinafter referred to as "Debtor"), with chief executive offices at 1100 Centre Sq. East, 1500 Market Street, Philadelphia, Pa. 19102 and principal place of business in the State of Mississippi at P. O. Box 30, Amory, MS 38821, hereby grants to MUELLER BRASS COMPANY, a corporation, (hereinafter referred to as "Secured Party"), a security interest in the goods, equipment, fixtures, accounts, receivables, franchises and other intangibles shown on Attachment A hereto, and incorporated herein, whether now in existence or hereafter acquired, entered into or created, and any and all products or proceeds thereof from sale, disposition, or otherwise, and subject to the exception stated below, any goods of a similar nature acquired through trade and used in connection with the railway and assets acquired from Mississippian Railway, a Mississippi corporation in liquidation, by Debtor, herein collectively called "Collateral", but Debtor does not grant Secured Party a security interest in any rolling stock except that actually owned in fee simple by Mississippian Railway, a Mississippi corporation in liquidation, and acquired by Debtor from Mississippian Railway, a Mississippi corporation in liquidation, and Debtor does not grant Secured Party a security interest in the inventory acquired by Debtor from Mississippian Railway, a Mississippi corporation in liquidation, or later acquired and used in connection with the railway.

Debtor desires to borrow from Secured Party the principal sum of Two Hundred Forty Eight Thousand Dollars (\$248,000.00) at ten percent (10%) interest per annum as represented by a promissory note of even date herewith, said note providing for payment of principal and interest amortized in 72 equal monthly installments, with the first installment of principal and interest due on October 1, 1980, and the balance payable in successive monthly installments of principal and interest on the same day of each month thereafter until paid.

The indebtedness secured hereby shall include (1) all future advances reasonably made by Secured Party for taxes, levies, insurance, preservation or protection of the Collateral, together with interest thereon at the highest rate permitted by law, not to exceed 17% percent per annum; and (2) all other money heretofore or hereafter advanced by Secured Party to or for the account of Debtor, and (3) all other present or future, direct or contingent liabilities or indebtedness of Debtor to Secured Party of any nature whatsoever, and any extensions or renewals thereof.

1. Substitutions of Collateral. Debtor shall have the right to substitute such additional, tangible collateral from time to time as determined at Debtor's sole discretion, so long as Secured Party is accorded the same priority as to such substituted collateral (as documented to Secured Party's satisfaction) and such substituted collateral has a book value, according to Debtor's books, equivalent to or greater than the collateral substituted for. Debtor shall be liable for all costs and fees incurred in connection with substitutions of collateral including costs of title search and filing fees. Upon the reasonable request of Secured Party, Debtor shall certify to Secured Party in writing the amount, condition, and existence of the Collateral, such certifications, including documentations in support thereof, to be in such form as is satisfactory to Secured Party.

2. Change of Address. Debtor will promptly notify Secured Party, in writing, of any new places of business at which operations are conducted within the State of Mississippi, any change in the chief executive offices of Debtor, or any change in the location of any of the Collateral (except rolling stock) described in this Security Agreement.

3. Warranties of Title - Protection of the Collateral. Debtor represents and warrants that it is the owner of the Collateral free and clear of liens, encumbrances and security interests, except the security interest granted hereby, those certain security interests in favor of Mississippian Railway, a Mississippi

corporation in liquidation, granted by Debtor in the Collateral and Debtor will defend its title to the Collateral as of the date of conveyance to it against the claims and demands of all persons. Debtor has no knowledge of any fact which would impair the value or validity of any of the accounts, contract rights, franchises, or other intangibles secured hereby except the prior security interests granted by Debtor to Mississippian Railway, a Mississippi corporation in liquidation.

Debtor will pay and discharge all taxes, levies, liens, and other impositions levied against the Collateral. Secured Party is hereby authorized to perfect and continue perfection of the security interests created hereby.

Debtor will not sell, or attempt to sell, encumber, or attempt to encumber, create or attempt to create, a security interest in respect of or otherwise transfer or attempt to transfer the Collateral or any interest therein without the prior written consent of Secured Party, except as permitted under paragraph 1 hereof.

Debtor will keep the Collateral in good working order and repair, reasonable wear and depreciation excepted, will not waste or suffer to waste or destroy or suffer the destruction of the Collateral or any part thereof, and Debtor hereby agrees that Secured Party may examine and inspect the Collateral at any reasonable time and in any reasonable location where the Collateral may then be located. Debtor will not use the Collateral in violation of any statute, regulation, or ordinance of any governmental authority, subdivision, or agency or in contravention of any applicable common law.

In the event that Secured Party is required to discharge any taxes, charges, security interests, liens, levies, or other encumbrances, or to take any action to protect the Collateral against waste or destruction, Debtor agrees to reimburse Secured Party, on demand, for any such payment reasonably made, or any expense reasonably incurred by Secured Party pursuant to the

foregoing, together with interest at the highest rate allowed by law, not to exceed 17 percent per annum, from the date of such payment by Secured Party.

4. Default. Debtor shall be in default under this agreement if:

(1) Debtor fails to pay any installment of principal and accrued interest when due, and such failure shall continue for 5 business days after Debtor receives notice of non-payment.

(2) Debtor fails to comply with the terms and conditions of this security agreement and said failure to comply continues 20 days after Debtor receives notice thereof.

(3) Debtor is determined to have made any material misstatement in connection with this agreement or the indebtedness secured hereby and such misstatement is not cured within 20 days after Debtor receives notice thereof.

(4) Debtor makes a bulk sale of substantially all of its assets without first obtaining the Secured Party's approval.

To the extent permitted by law, Debtor shall be in default under this agreement upon the institution, whether voluntarily or involuntarily, by or against Debtor of any proceeding under any bankruptcy, or insolvency, or debtor relief law, the making of any assignment for the benefit of creditors, or the death, dissolution, termination of existence of or business failure of Debtor, or the appointment of receiver for any part of the property of Debtor.

Upon the occurrence of any of the aforesaid events of default the Secured Party may immediately declare the entire balance of the indebtedness due and payable, and may collect the same together with all reasonable expenses of collection by suit or otherwise, including court costs and reasonable attorney's fees. In addition, Secured Party shall have the rights and remedies of a Secured Party under the Uniform Commercial Code (and any other applicable laws). Upon default and demand by Secured Party, Debtor shall be required to assemble the Collateral and

make it available to Secured Party at a place reasonably convenient to Secured Party. Any notice of sale, lease or other intended disposition of or realization on the Collateral by Secured Party sent to Debtor at the address specified above as Debtor's chief executive offices at least five (5) days prior to such action, shall constitute reasonable notice to Debtor.

If, at the time of default, Secured Party is indebted to Debtor for any transportation or other freight charges, payment for same may be withheld and set off by Secured Party against any amount due to Secured Party.

5. Penalty Interest. Any payment not made on its due date shall thereafter accrue interest at the highest rate permitted by law not to exceed 17 percent per annum. Debtor shall pay such interest, once it accrues, to the Secured Party on demand.

6. General Provisions. Waiver of any breach or default by Secured Party shall not constitute a waiver of other or subsequent breaches or defaults or prevent Secured Party or its assigns from immediately pursuing any and all of its remedies with respect to any subsequent breach or default. Acceptance of any payment or partial payment after maturity shall not constitute a waiver for other or subsequent breaches or defaults or prevent Secured Party or its assigns from immediately pursuing any and all of its remedies. No claim or right arising out of breach of this Agreement can be discharged in whole or in part by a waiver or renunciation of the claim or right unless supported by consideration and in writing.

This Agreement shall bind the respective heirs, executors, administrators, trustees, successors, assigns, parents, subsidiaries, and affiliates of the respective parties hereof and shall inure to the benefit of Secured Party, and its successors and assigns.

If any provision of this Agreement is held invalid or ineffective, such invalidity or ineffectiveness shall not affect

the validity or enforcement of the remaining provisions of this agreement.

7. Incorporation of Agreement. This Agreement shall be interpreted together with a certain Loan Agreement dated February 1, 1980 and a deed of trust of even date herewith. This Agreement and the deed of trust are designed to implement the Loan Agreement, and all definitions, references, and provisions of the deed of trust and Loan Agreement shall be incorporated into this Agreement, without specific reference, whenever necessary to interpret this Agreement or implement the terms and conditions of the Loan Agreement.

8. Special Provisions. In the event of default by Debtor in the payment of any indebtedness, secured by any of the Collateral, due to any holder of a prior security interest (including trust deed beneficiary), and if Debtor fails to cure same within the period allowed under the terms of the prior security agreement, Secured Party may pay or satisfy all or a part of such indebtedness, and any amount so paid shall then become an indebtedness of Debtor to Secured Party secured by the Collateral due, on demand, with interest from the date of payment at the highest rate then permitted by law not to exceed 17 percent per annum.

In the event of default in the payment of any indebtedness secured hereby or any indebtedness of Debtor secured by part of all of the Collateral, Secured Party shall have the right, subject to restrictions imposed by law, prior or subsequent to sale of any Collateral, to appoint a trustee to use and operate so much of the Collateral as is necessary to operation of the railway (as defined in the Loan Agreement) as a common carrier pending receipt of all governmental and regulatory agency approvals which may be required prior or subsequent to disposition of the Collateral. Debtor will cooperate with Secured Party, or the purchaser of the Collateral, in securing, on an expedited basis, all governmental and regulatory agency approvals which

may be necessary to enable the purchaser of the Collateral to operate the railway as a common carrier.

WITNESS OUR SIGNATURES this the 26 day of August, 1980.

THE MISSISSIPPIAN RAILWAY, INC.,  
A South Carolina Corporation

ATTEST:

BY: Richard J Kelly

ADDRESS: 1100 Centre Square East  
Phila, PA 19103

Bill Cress  
Asst Secretary

Sworn to and subscribed before me, Barbara Ann Fagan  
this 24th day of January, 1984.  
BARBARA ANN FAGAN  
Notary Public, Phila., Phila. Co.  
My Commission Expires April 14, 1986

MUELLER BRASS COMPANY

ATTEST:

BY: Philip O. Hoff

ADDRESS: 1925 Lapeer Ave.  
Port Huron, Mi. 48060

[Signature]  
Asst. Secretary

Sworn to and subscribed before me  
this 16th day of February, 1984  
Joann E. Linehan  
Notary Public  
JOANN E. LINEHAN  
Notary Public, St. Clair Co. Mich.  
My commission expires June 6, 1984

Notary Public

*PK*  
*PK*

ATTACHMENT A

- (2) 8,000 gallon fuel tanks with fuel house including electric pump
- (2) Alco model S-1 diesel-electric locomotives: #75355 and #77080
- (1) Caboose - Mississippian #103, rebuilt 1977
- (1) Boxcar, type XM, SLSF 451, ~~453, 457~~ *PK*
- (1) Motorola train radio system including base station, locomotive radio, satellite stations - Fulton, truck unit
- (1) Flatcar, Mississippi #320
- (1) Hopper car, type HM, SLSF #92500
- (1) Steam pile driver, (2) flat cars, Mississippian #263
- (4) Old Fairmount motor cars
- (1) Weed killer car
- (1) Jackson generator, model #M-22A
- (1) Tamper Jackson maintainer
- (1) "Little Giant" crane, on International truck
- (1) Davey air compressor, model 105
- (1) Ford 3/4-ton pickup truck with hi-rail
- (1) Putnam Machine Co. wheel lathe
- (1) Old arc welder, "shield arc", type sae 400
- (1) Citation Manufacturing Co. steam cleaner
- (1) Scotsman ice maker
- (1) Water cooler
- (1) Lodge Davis lathe, model 55-S.
- (1) Lathe
- (1) William Barker Company shaper
- (1) Hisey Wolf floor model grinder, type 5U
- (1) Oster Manufacturing Co. threader, model #502
- (1) Fox Machine Co. press, type 6, serial #1451
- (1) Peerless power hack saw
- (1) Diesel fuel pump
- (2) Jacks (50 ton) Duff Norton
- (1) Hi-pot machine

*REP*  
*RDK*

- (2) Push cars - Fairmont
- (2) Push cars
- (1) Air compressor - Ingersoll-Rand
- (1) Air drill - Ingersoll-Rand
- (1) Air wrench - Ingersoll-Rand
- (1) Rail saw - Racine
- (1) Rail Drill - Racine
- (1) Rail puller - Jackson
- (1) Chevrolet Impala automobile, 1975 model,  
Serial No. 1L69U5S117526

All of that certain railroad track, together with all switches, frogs, spikes, anchors, angle bars, bolts, plates, and other rail appurtenances thereto belonging, located between the Mississippi communities of Fulton and Amory acquired from Mississippian Railway

And all other goods, equipment, fixtures, accounts, receivables (excluding car hire revenues), franchises and other intangibles owned by Debtor and used in its railway operations within the State of Mississippi.

The above Collateral, some of which may be fixtures, shall be used in connection with the real estate described hereafter:

REAL ESTATE DESCRIPTION  
ATTACHMENT A  
CONTINUED

For purposes of this Attachment A, The Mississippian Railway, Inc., a South Carolina corporation, shall be referred to as Grantor, and John M. Grower, Trustee for the benefit of Mueller Brass Company, shall be referred to as Grantee:

TRACT I:

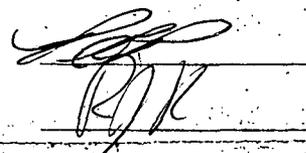
A perpetual easement to operate a railroad, so long as said easement is used for railroad purposes, along the line and on the tracks of the Grantor as they now exist, commencing at the terminus in Amory, Mississippi, and running thence through Sections 30, 31, 19, 20, 21, 16 and 15, in Township 12 South, Range 18 West, and through Sections 23, 14, 13 and 12, all in Township 12 South, Range 8 East, and through Sections 7 and 6, Township 12 South, Range 9 East, and through Section 31, Township 11 South, Range 9 East, to the North line of said Section 31 and the boundary line between Monroe County and Itawamba County, Mississippi, all in Monroe County, Mississippi.

Grantor further conveys and quitclaims unto Grantee a strip of land 100 feet in width, being 50 feet on each side of the centerline of the aforesaid railroad track.

TRACT II:

A perpetual easement to operate a railroad, so long as said easement is used for railroad purposes, along the line and on the tracks of the Grantor as they now exist, commencing where said railroad crosses the Monroe-Itawamba County line in Section 30, Township 11 South, Range 9 East, in Itawamba County, Mississippi, and thence in a Northerly direction through Sections 30, 19, 18, 17, 8 and 5, all in Township 11 South, Range 9 East, and through Sections 32, 29, 20, 18, 17, 7 and 6, all in Township 10 South, Range 9 East, and through Section 1, Township 10 South, Range 8 East, and through Sections 36 and 25 in Township 9 South, Range 8 East, to the terminus in Fulton, Mississippi, all in Itawamba County, Mississippi.

Grantor further conveys and quitclaims unto Grantee a strip of land 100 feet in width, being 50 feet on each side of the centerline of the aforesaid railroad track.

  
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TRACT III:

A strip of land 150 feet wide from East to West and running from North to South across Lot No. 12 in the Outside Donation, Town of Fulton, Itawamba County, Mississippi, running from the North side of the Bankhead Highway (Highway #78) to the street known as "Hill Street" there being on the West side of the center of the Mississippian Railway a distance of 40 feet, and on the East side of the center of said railway a distance of 110 feet, the said railway running parallel with the East and the West boundary line of said tract of land.

TRACT IV:

A tract of land in Block Number 15 in the Outside Donation of the Town of Fulton, Itawamba County, Mississippi, beginning at the Southeast corner of Block Number 15, the same being at a point which is 161 feet East of the centerline of the Mississippian Railway; thence West 201 feet; thence North 200 feet; thence North 30 degrees 30 minutes West to a large pine tree located near the brow of the hill to the North boundary line of the Itawamba County Agricultural High School property; thence East along and with said North boundary line to the Northeast corner of said property; thence South to the point of beginning.

LESS AND EXCEPT the following described land: 11.87 acres in Block 15 in the Outside Donation of the Town of Fulton, Itawamba County, Mississippi, located in the South Half of Section 24, Township 9 South, Range 8 East, and in the North Half of Section 25, Township 9 South, Range 8 East, Itawamba County, Mississippi, according to the survey thereof on file in the office of the Chancery Clerk of Itawamba County, Mississippi, described as follows: Commencing at the Southwest Corner of Section 24, Township 9 South, Range 8 East, Itawamba County, Mississippi; thence East for a distance of 2032.38 feet; thence North 23 degrees 00 minutes East for a distance of 253.68 feet; thence South 85 degrees 21 minutes East for a distance of 443.85 feet; thence South 13 degrees 57 minutes East for a distance of 55.90 feet to the point of beginning; thence South 70 degrees 07 minutes East for a distance of 332.59 feet; thence North 65 degrees 05 minutes East for a distance of 503.79 feet; thence South 05 degrees 45 minutes West along a line that is 25.0 feet West of the centerline of the Mississippian Railroad main track and said line running parallel to the centerline of said main tract for a distance of 1565.11 feet to a point on the North right-of-way line of Hill Street; thence North 82 degrees 32 minutes West along the North right-of-way line of Hill Street for a distance of 15.00 feet; thence North 07 degrees 15 minutes East for a distance of 200.00 feet; thence North 30 degrees 20 minutes West for a distance of 1069.35 feet; thence North 13 degrees 57 minutes West for a distance of 344.97 feet to the point of beginning, lying, being and situated in the Town of Fulton, Itawamba County, Mississippi.



Tracts III and IV were conveyed to John T. Cochrane by the Board of Trustees of the Itawamba County Agricultural High School by deed dated October 21, 1925, and recorded in Book 4 at Page 233 of the land records of Itawamba County, Mississippi. This deed provides that the property conveyed shall revert to the grantor, if it shall not continue to be used for a railroad right-of-way, depot, sidetracks and warehouses; therefore, there is excepted from the covenants of warranty herein contained, as to Tracts III and IV, the possibility of reverter set out in the aforesaid deed.

TRACT V:

All that part of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West, lying on the East side of the St. Louis-San Francisco Railroad as now located; and also all of that part of the Northeast Quarter of the Northeast Quarter of Section 1, Township 13, Range 19 West, Monroe County, Mississippi, lying on the East side of the St. Louis-San Francisco Railroad as now located, and containing 30 acres, more or less, excepting therefrom the following five parcels of land heretofore sold:

Parcel No. 1:

All that portion of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West in Monroe County, Mississippi, lying and being situated within 100 feet of the center line of the main line of railroad of Mississippiian Railway as now located across said subdivision, or within 100 feet of the center line of the wye, as now located therein (excepting therefrom the right-of-way of the Amory and Hatley public road and the right-of-way of the St. Louis-San Francisco Railroad Company) sold to Mississippiian Railway.

Parcel No. 2:

All that part of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West, and also all of that part of the Northeast Quarter of the Northeast Quarter of Section 1, Township 13, Range 19 West, lying on the East side of the St. Louis-San Francisco Railroad as now located and South of the Mississippiian Railway right-of-way as now located, and West of the Amory and Hatley public road as now located, less a block of one acre, more or less, now owned and occupied by the St. Louis-San Francisco Railroad Company, sold to Fred G. Cowden.

Parcel No. 3:

Beginning at the Southeast corner of Section 36, Township 12, Range 19 West; thence North 15 feet, more or less, to the North line of the public road; thence Northwardly along the North line of the public road to a point that is 15 feet West,



measured at right angles from the East line of Section 36, said point being the point of beginning of the parcel of land conveyed; thence in a Northwestwardly direction following the North line of the public road 500 feet to a point; thence North and parallel to the East line of Section 36, 210 feet to a point; thence following a straight line in a Southeastwardly direction 500 feet, more or less, to a point measured 210 feet North from the point of beginning and 15 feet West of the section line; thence South 210 feet to the place of beginning, sold to W. C. Abrams and P. E. Abrams.

Parcel No. 4:

Beginning at a point 225 feet North and 15 feet West of the Southeast corner, Section 36, Township 12, Range 19 West, Monroe County, Mississippi; thence North and parallel to the East line of said Section 36 a distance of 375 feet to a point; thence Westward 475 feet to an iron stake 25 feet East of center of embankment for East leg of wye of Mississippian Railway; thence Southward 200 feet, more or less, to the Northwest corner of the property deeded by John T. Cochrane to W. C. and P. E. Abrams October 10, 1927, recorded in Book 95, Page 204; thence Southeast along North line of property of W. C. and P. E. Abrams 500 feet to point of beginning, sold to W. C. and P. E. Abrams.

Parcel No. 5:

Beginning at the Northeast corner of the Southeast Quarter of the Southeast Quarter of Section 36, Township 12, Range 19 West; thence South 87 degrees West 1,096 feet for a point of beginning; thence South 87 degrees West along fence 231 feet to the intersection of the right-of-way of Main Street; thence in a Southeasterly direction along said right-of-way of Main Street 229 feet; thence North 27 degrees, 30 minutes East 214 feet to the point of beginning, being .58 acre, more or less, sold to Nettie Lucille Carlisle.

TRACT VI:

Commencing at the Southeast Corner of the Southwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi, and running thence North 444.12 feet; thence West 590 feet to the East right-of-way of the Mississippian Railway; thence Southerly along the East boundary of the said Mississippian Railway right-of-way 444.12 feet; thence East 651.5 feet to point of beginning, and containing 6.33 acres, more or less, and being in the Northeast Quarter of the Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi.

TRACT VII:

Commencing at the Northeast Corner of the Northwest Quarter of the Southeast Quarter of the

  
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Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi, and running thence South 330.2 feet; thence West 200 feet; thence North 90.5 feet; thence West 499 feet to the East right-of-way of the Mississippian Railway; thence Northerly along the East boundary of the said Mississippian right-of-way 239.7 feet; thence East 651.5 feet to point of beginning and containing 4.15 acres; more or less, and being in the Southeast Quarter of the Northwest Quarter of Section 31, Township 12, Range 18 West, Monroe County, Mississippi.

TRACT VIII:

A tract of land in the Northwest Quarter of Section 31, Township 12, Range 18, beginning at the Northeast intersection of Pennington Street and 4th Avenue South in the City of Amory; thence East 74 feet; thence North 190 feet along Pullman Couch Street; thence West 74 feet to Pennington Street; thence South 190 feet to the point of beginning, containing .32 acre, more or less, in Monroe County, Mississippi.

TRACT IX:

Beginning at the Southeast Corner of the West Half of the Southwest Quarter of Section 6, Township 12, Range 9 East; thence West 7 chains, 50 links; thence North 20 chains; thence East 5 chains and 92 links; thence North 20 chains; thence West 4 chains and 81 links; thence North 12 chains and 75 links; thence North 74-1/2 degrees East and 6 chains and 39 links; thence South 54 chains and 57 links to point of beginning, containing 27 acres, more or less, and being and lying in the West Half of the West Half of Section 6, Township 12, Range 9 East, Monroe County, Mississippi. Also 5 acres, more or less, off West Half of the Southwest Quarter, Section 6, Township 12, Range 9 East (beginning at corner of the C. Z. Byrd and R. E. Kynerd lands) on Section line and running North 20 chains; thence East 58 yards; thence South 20 chains; thence West 58 yards to place of beginning in Monroe County, Mississippi. There is excepted from all of the above-described property a right-of-way 50 feet wide along the West side of and measured from the centerline of the track of the Mississippian Railway, as the same is now located, and there is also excepted a right-of-way 50 feet wide or so much thereof as lines within the above-described property, along the East side of and measured from the centerline of the tracks of the Mississippian Railway wherever any of the above-described property lies East of the centerline of the track of the Mississippian Railway, as the same is now located in Monroe County, Mississippi.

Also, beginning at the Southeast Corner of a tract containing 12.88 acres in the West Half of the Northwest Quarter of Section 6, Township 12, Range 9, described in Deed recorded in Book 87 at Page 504 of the Records of Deeds in Monroe County, Mississippi; thence South 87 rods; thence



East 20.2 rods; thence North 87 rods; thence West 20.2 rods to the place of beginning, containing 10 acres, more or less, and being in the West Half of the Southwest Quarter of Section 6, Township 12, Range 9.

LESS AND EXCEPT the following 6 parcels from TRACT IX:

Parcel No. 1:

Beginning at the Southeast Corner of the Southwest Quarter of the Southwest Quarter of Section 6, Township 12 South, Range 9 East; thence West along the Section line 10 chains and 13 links to the Southwest Corner of the East Half of the Southwest Quarter of the Southwest Quarter of said Section; thence North 20 chains; thence East 10.13 chains; thence South 20 chains to the point of beginning, containing 20 acres, more or less, being the East Half of the Southwest Quarter of the Southwest Quarter of Section 6, Township 12, Range 9.

Parcel No. 2:

The West Half of Desoto Street lying between Blocks 2 and 3 of First New Smithville Addition to the Town of Smithville, and the West right-of-way line of the Mississippian Railway, more particularly described: Beginning at the Southeast Corner of Block 3 of First New Smithville Addition and run thence East 14 feet to the center of Desoto Street to the point of beginning; thence North along the centerline of Desoto Street 550 feet to a point 14 feet East of the Northeast Corner of Block 2 of First New Smithville Addition; thence East 14 feet to the East line of Desoto Street and the West right-of-way line of the Mississippian Railroad; thence South 550 feet; thence West 14 feet to the point of beginning.

Parcel No. 3:

Beginning at a stake 353 feet South of the Northwest Corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, and running thence East 50 feet; thence South 1 foot and 10 inches for point of beginning; thence South 198 feet and 2 inches; thence East 100 feet; thence North 200 feet; thence West 93 feet to the South right-of-way line of Mississippi State Highway No. 25; thence Southwesterly along the South boundary of said Mississippi State Highway No. 25 for a distance of 7 feet to the point of beginning. Said property being located in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, in the Town of Smithville, Monroe County, Mississippi.

Parcel No. 4:

Beginning at a stake 353 feet South of the Northwest Corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12,



Range 9 East, and running thence East 50 feet; thence South 1 foot and 10 inches; thence in a Northeasterly direction along the South boundary of Mississippi State Highway No. 25 a distance of 7 feet for a point of beginning; thence East 93 feet; thence North 26 feet to the South boundary of said Mississippi State Highway No. 25; thence in a Southwesterly direction along the South boundary of said Mississippi State Highway No. 25 a distance of 96 feet 5 inches to the point of beginning. Said parcel of land being located in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, Monroe County, Mississippi.

Parcel No. 5:

Commencing at the Northwest corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, and running thence South 553 feet; thence East 50 feet for a point of beginning; thence East 100 feet; thence South 50 feet; thence West 100 feet; thence North 50 feet to the point of beginning, containing 11/100 acre, more or less, and lying and being in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, Monroe County, Mississippi.

Parcel No. 6:

Commencing at the Northwest Corner of the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, and running thence South 603 feet; thence East 50 feet for a point of beginning; thence East 100 feet; thence South 90 feet; thence West 100 feet; thence North 90 feet to the point of beginning, containing 20/100 acre, more or less, and lying and being in the Southeast Quarter of the Northwest Quarter of Section 6, Township 12, Range 9 East, Monroe County, Mississippi.