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RECORDATION NO. 30435 FILED

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SURFACE TRANSPORTATION BOARD

OCT 9 2012
RECEIVED

September 14, 2012

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 2002

Dear Section Chief:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code

This document is a Security Agreement, a primary document, dated September 14, 2012.

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

Debtor/Owner: Goldsboro Milling Company, P.O. Drawer 10009, Goldsboro, NC 27532-0000

Secured Party: AgCarolina Financial, ACA, P.O. Box 1719 Smithfield, NC 27577-1719.

A description of the equipment covered by the document follows:

1 Shuttlewagon railcar mover, SWX735; Serial Number 73512062A; Engine – Cummins QSC 8.3 U.S. EP tier III (electronic) 300 H.P. @ 2200 RPM; Dimensions – Height: 143.5" / 3644 mm, Width: 120" 3048 mm, Length (to end of couplers): 260" / 6604 mm, Wheel Base: 98" / 2489 mm, Weight: 73,000 lbs. /33,112 kg, and Rail Gauge· AAR standard 56 5" (1435 mm); Drawbar Pull – 50,000 lbs. (221,975 N).

A fee of $42.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to·

Ashton Watkins
AgCarolina Financial, ACA
P.O. Box 1719
Smithfield, NC 27577

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

Security Agreement between Goldsboro Milling Company, as Debtor, and AgCarolina Financial, ACA, as Secured Party, dated September 14, 2012, covering 1 Shuttlewagon railcar mover, SWX735; Serial Number 73512062A.

Very truly yours,

Ashton Watkins
VP Corporate Lending

Enclosures

2850 U.S. Highway 70 Business East, PO Box 1719, Smithfield, NC 27577-1719 (919) 934-9731 (888) 808-5276 Fax: (919) 934-9736 www.agcarolina.com

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made **09/14/2012**, by and between the undersigned **Goldsboro Milling Company** whose address is **PO Box 10009 Goldsboro, NC** ("Debtor" whether one or more, provided that where Debtor and Borrower (as defined herein) are not the same person the term "Debtor" as used herein shall mean the owner of the Collateral (as defined herein) when dealing with the Collateral (as defined herein) Borrower (as defined herein) when dealing with the obligation or debt secured hereby, and may include both where the context so requires) and **AgCarolina Financial, ACA** whose principal office is located at **P O. Box 1719, Smithfield, NC** ("Secured Party") 30435 FILED

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SURFACE TRANSPORTATION BOARD

RECITALS:

1 Debtor desires to grant to Secured Party security interests in, and Secured Party desires to define its security interests in, certain collateral security for Debtor's present and future liabilities and obligations to Secured Party

2 The terms and provisions hereof shall provide for the rights, security interests, privileges and remedies originally granted hereunder and shall reconfirm, as well as augment supplement and expand, Secured Party's rights, security interests, privileges and remedies set forth in any security agreements or agreements of a similar nature previously or hereafter executed by Debtor in favor of Secured Party

IN CONSIDERATION OF the foregoing recitals and of any loan or other financial accommodation heretofore, now or hereafter made or granted by Secured Party to **Goldsboro Milling Company and Sleepy Creek Turkeys, Inc** ("Borrower" whether one or more) Debtor hereby agrees with Secured Party as follows

I OBLIGATIONS SECURED

The parties hereto, intending to be legally bound hereby agree that the security interests granted hereunder in the described Collateral secure the (i) performance by the undersigned of its obligations hereunder and the payment and performance by Borrower of its obligations under all its agreements with Secured Party as well as (ii) payment of any sums now, heretofore or hereafter owing to Secured Party by Borrower whether or not evidenced by any note or other instrument and whether or not for the payment of money, direct or indirect, absolute or contingent, due or to become due now existing or hereafter arising, (iii) repayment of any amounts that Secured Party may advance or spend for the maintenance or preservation of the Collateral and any other expenditures that Secured Party may make under the provisions of this Security Agreement or for the benefit of Debtor, (iv) any covenant of Debtor hereunder with regard to the Collateral and (v) any of the foregoing that arise after the filing of a petition by or against Debtor under the U S Bankruptcy Code, even if the obligations do not accrue because of the automatic stay together with all interest thereon and costs of collection thereof, including reasonable attorneys' fees and expenses, as well as all its liabilities and obligations under any other agreements with Secured Party, now and in the future, including all renewals reamortizations modifications, deferments, and extensions of the foregoing and including any debt, liability or obligation owing from Borrower to others which Secured Party may have obtained by assignment or otherwise, and further, including all interest, fees, charges, expenses and attorneys' fees chargeable to Borrower's account to the extent not prohibited by applicable law, whether provided for herein or in any other agreement with Secured Party, all of which liabilities, payments and obligations being referred to herein as the "Indebtedness" Debtor agrees to pay to Secured Party or order, all Indebtedness listed herein strictly in accordance with their terms and with full recourse, whether incurred by Debtor or Borrower

II. GRANT OF SECURITY INTEREST

Debtor hereby gives and grants to Secured Party a continuing lien on and security interest in all of the following described existing and future property of Debtor, wherever located and now owned or hereafter acquired (the "Collateral")

CHECKING THE BOXES BELOW CONSTITUTES THE INCLUSION OF THE COLLATERAL THEREIN DESCRIBED (If space is not sufficient to describe particular items insert "SEE ATTACHED ADDENDUM" under category of Collateral and describe items on addendum)

☐ GOODS - All goods, as defined in the Uniform Commercial Code in effect under the laws of the State of **NC** from time to time as the same may be amended (the "Code")

☐ INVENTORY - All inventory (as defined in the Code) of every nature, including supplies, stock-in-trade, raw materials, work in process including all goods (other than farm products) which are leased by Debtor as lessor are held by Debtor for sale or lease or to be furnished under contracts of service or are furnished under a contract of service, or consist of materials used or consumed in Debtor's business, and including all returned, reclaimed and repossessed goods, whether now in Debtor's possession or control or hereafter acquired by way of replacement substitution addition or otherwise

☐ EQUIPMENT - All equipment (as defined in the Code) and machinery of every type, including furniture fixtures, boilers electrical generators office equipment, equipment supplies, labels, wrappers, containers, cartons, cases, packaging materials, tools and trade fixtures and all other goods (other than inventory, farm products or consumer goods), and including, without limitation

☐ ACCOUNTS - All accounts (as defined in the Code), chattel paper (including electronic chattel paper) notes and other instruments documents, contracts choses in action, returned and unearned insurance premiums, tax refunds and all other obligations now or hereafter owing to Debtor, together with all interests of Debtor in goods, the sale or lease of which shall have given or may give rise to any of the foregoing

☐ FARM PRODUCTS - All farm products, including all feed feed ingredients, including soybeans, corn, barley, wheat, soybean meal soy oil and fish scraps and all other supplies used or produced in a farming operation all livestock of every type, kind weight age, born or unborn alive, killed or being processed on hand, in storage, or in transit, all aquatic goods produced in aquacultural operations and including without limitation

[ ] CROPS - All crops grown, growing or to be grown, planted or to be planted on the hereinafter described lands including without limitation

[ ] FIXTURES - All property that would be a fixture (under applicable state law) on the hereinafter described lands including the following (list all equipment, machinery and storage facilities affixed to real estate, particularly harvestore, bulk tanks, etc)

[ ] TIMBER - All timber subject to a timber conveyance and all timber to be cut and/or harvested thereunder on the hereinafter described lands including

[ ] AS-EXTRACTED COLLATERAL - All oil gas and other minerals as extracted and related to the hereinafter described lands, including

The above described crops, fixtures standing timber and/or as-extracted collateral are or will become located on the land owned or occupied by Debtor in Township(s)/City(ies). County(ies)/Parish(es) (describe distance to and name or number of closest road or intersection, amount of acreage) (Optional - if known, deed book and page reference where a legal description of the real estate is contained should be stated) Inclusion of a description of the land does not limit the security interest in all crops, fixtures, standing timber and/or as-extracted collateral in which a security interest is granted regardless of the location of the Collateral or the accuracy of the description of the land

[ ] GENERAL INTANGIBLES - All general intangibles (as defined in the Code), including, without limitation payment intangibles, software customer lists books and records, including all correspondence and credit files, tapes, cards, computer runs, computer programs and other papers and documents, whether in the possession or control of Debtor or any computer service bureau, rights in franchises and sales contracts, patents, copyrights, trademarks, logos, trade names, label designs, brand names, plans, blueprints, patterns, trade secrets, licenses jigs, dies, molds and formulas

[ ] INVESTMENT PROPERTY - All investment property (as defined in the Code), including all securities, whether certificated or uncertificated security entitlements, securities accounts, commodity contracts and commodity accounts, including, without limitation

[ ] COMMERCIAL TORT CLAIMS - The following described commercial tort claim(s) (as defined in the Code) of Debtor (for each claim specify the identity of the obligor(s), nature of the claim and forum, if any in which the claim is being or has been litigated)

[ ] DEPOSIT ACCOUNTS - All deposit accounts (as defined in the Code), including all demand, time, savings passbook or similar accounts maintained with any bank, including the following (for each Deposit Account specify the identity of the bank, the bank's address the account number and the identity of the bank officer responsible for Debtor's relationship with the bank)

[ ] LETTER-OF-CREDIT RIGHTS - All letter-of-credit rights (as defined in the Code), including all rights to payment and performance under letters-of-credit including all rights under the following letter(s)-of-credit (for each letter-of-credit, specify the identity of the issuer the issuer's address, and the letter-of-credit number)

[X] OTHER COLLATERAL - Specify (include motor vehicles, mobile homes, certificates of deposit or other specific items or types of property)

1Shuttlewagon railcar mover, SWX735, Serial Number 73512062A, Engine-Cummins QSC 8.3 U.S. EP tier III (electronic) 300 H.P. @ 2200 RPM, Dimensions-Height, 143.5" / 3644mm, Width, 120" 3048 mm, Length (to end of couplers): 260"/6604 mm, Wheel Base: 98" / 2489 mm, Weight, 73,000 lbs. /33,112 kg, and Rail Guage, AAR standard 56.5" (1435 mm): Drawbar Pull - 50,000 lbs. (221,975 N)

[X] ASSOCIATION EQUITY - All stock, participation certificates and allocated surplus credits, including rights thereto, now or hereafter issued by Secured Party

IN ADDITION TO THE COLLATERAL checked above, the term "Collateral" shall include all proceeds and products of and additions to the Collateral, insurance proceeds accessions, and after-acquired collateral of the same type or types If the Collateral consists of Crops or Farm Products the term "Collateral" shall include all insurance proceeds, governmental farm program payments, market loss adjustment payments, subsidies crop diversion payments, reduced acreage payments and any other crop subsidy payments and all other general or special governmental payments related to the Collateral or to Debtor regardless of the classification

III. WARRANTIES, COVENANTS AND REPRESENTATIONS

Debtor hereby represents warrants and covenants as follows

1 The statements contained in Debtor's loan application(s) are true and correct and that the proceeds of the loan or loans secured hereby will be used solely for the purposes set forth in such application(s), and to the extent that any of the Collateral is purchased with the proceeds of any loan or advance secured hereby, Debtor hereby authorizes Secured Party at its option to disburse such proceeds to the seller of such Collateral, and

2 Debtor is the owner of the Collateral and has rights in and the power to transfer the Collateral and grant an effective security interest therein free and clear of liens and encumbrances, prior security interests, agricultural liens, adverse claims and restrictions on transfer or pledge, except as created by this Security Agreement and EXCEPT FOR the following (list any liens against the Collateral insert None if applicable)

_____ and

3 Debtor will pay when due all indebtedness secured hereby with interest, together with any rent, taxes, levies, assessments or other claims which are or may become liens against the Collateral, and

4 Debtor will care for and maintain the Collateral in a good and husbandlike manner, will not further encumber cancel, remove, sell or otherwise dispose of the same without the written consent of Secured Party, and, upon demand, will provide additional Collateral acceptable to Secured Party, and

5 Debtor will insure the Collateral in such amounts and in such manner as may be required by Secured Party and will pay premiums therefor when due and

6 Debtor shall do, obtain, make, execute and deliver all such additional and further acts, things deeds assurances and instruments as Secured Party may require from time to time to vest in and to assure to Secured Party its rights hereunder and in or to the Collateral and proceeds thereof, including waivers from landlords and mortgagees, and subordinations of any agricultural lien which may be prior to the lien of Secured Party, and

7 Debtor's chief executive office is located in the following state (the "Chief Executive Office State") **North Carolina** , and

8 If an individual, Debtors' state of residence is the "Debtor State" If a corporation limited liability company, or other limited partnership or limited liability partnership, its state of incorporation or organization is the "Debtor State" If a partnership or other business organization as to which neither the United States of America nor any single state thereof must maintain a public record showing its organization the state in which its chief executive office is located is the "Debtor State," and

9 Debtor's exact legal name is as set forth in the first paragraph of this Security Agreement and its/his/her Debtor State is as follows

Name	Debtor State
Goldsboro Milling Company	**NC**
Name	Debtor State
Name	Debtor State
Name	Debtor State
	, and

10 The Collateral is located and will remain in the following state(s) (singularly and collectively the "Collateral State") **North Carolina** and and

11 Debtor will report, in form satisfactory to Secured Party, such other information as Secured Party may request regarding the Collateral Debtor will promptly notify Secured Party of any change in the location of the Collateral or its books and records, and Debtor will not remove the Collateral or its books and records from said location(s) (except for motor vehicles and for inventory sold in the ordinary course of business) Debtor, if an organization, will immediately notify Secured Party, in writing, of any addition to, change in or discontinuance of its chief executive office or if an individual, any change in its principal residence, and

12 Debtor will at all times during normal business hours, give to Secured Party or its agents full access to and the right to audit check inspect and make abstracts and copies from Debtor's books, records, audits, correspondence and all other papers relating to the Collateral Secured Party or its agents may enter upon any of Debtor's premises at any reasonable time during business hours and from time to time for the purpose of inspecting the Collateral and any records pertaining thereto, and

13 Debtor shall, upon request of Secured Party, and, without notice to Debtor, Secured Party itself may, in the name of Secured Party or Debtor, at any time (whether or not an event of default (as defined below) shall have occurred), notify account debtors and other obligors on the Collateral of Secured Party's security interest and direct all payments to be made to Secured Party, Secured Party may demand, sue for collect or receive any money or property payable or receivable on any accounts, other rights to payment, contract rights and general intangibles, and settle release compromise, adjust, sue upon, foreclose realize upon or otherwise enforce any accounts, contract rights or rights in general intangibles as Secured Party may determine (whether or not an event of default shall have occurred), and for the purpose of realizing Secured Party's rights herein Secured Party may receive and open mail addressed to Debtor and retain and endorse notes, checks, drafts, money orders, documents of title or other forms of payment on behalf of and in the name of Debtor, and

14 Debtor shall immediately notify Secured Party of any event causing a material loss or decline in value of the Collateral and the amount of such loss or depreciation, and

15 Upon request of Secured Party Debtor will furnish to Secured Party annually for each person or other entity obligated to repay the indebtedness secured hereby, within one hundred twenty (120) days after the end of the reporting obligor's fiscal year a balance sheet as of the end of such fiscal year, and a profit and loss statement for the year then ending in each case in form and substance acceptable to Secured Party and certified as being true and correct and containing no material misrepresentations or omissions If the principal amount of the indebtedness secured hereby is in excess of $100,000 00 such financial information shall be so provided without request by Secured Party, and

16 Debtor will preserve its legal existence (corporate or otherwise) and not in one transaction or a series of transactions, merge into or consolidate with any other entity or sell all or substantially all of its assets, not change the state of its incorporation, and not change its legal name without providing Secured Party with thirty (30) days prior written notice thereof

17 The term "Applicable Environmental Law" shall be defined as any statutory law or case law pertaining to health or the environment or petroleum products or oil, or hazardous substances including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as codified at 42 U S C §9601 et seq the Resource Conservation and Recovery Act of 1976 as amended as codified at 42 U S C §6901 et seq and the Superfund Amendments and Reauthorization Act of 1986, as codified at 42 U S C §9671 et seq . the terms "hazardous substance" and "release" shall have the meanings specified in CERCLA, provided in the event CERCLA is amended to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment, and provided, to the extent that the laws of the Collateral State establish a meaning for "hazardous substance" or "release" which is broader than that specified in CERCLA such broader meaning shall apply The Debtor represents and warrants to the Secured Party that to the best of its knowledge the Collateral and the Debtor are not in violation of or subject to any existing pending or threatened investigation or inquiry by any governmental authority or any response costs or remedial obligations under any Applicable Environmental Law and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances if any pertaining to the Collateral, that, to the best of its knowledge, the Debtor has not obtained and is not required to obtain any permits, licenses or similar authorizations to construct, occupy operate or use any buildings improvements, fixtures or equipment forming a part of the Collateral by reason of any Applicable Environmental Law, that to the best of its knowledge, the Debtor has taken all steps necessary to determine and has determined that no petroleum products, oil, hazardous substances, or solid wastes have been disposed of or otherwise released on the Collateral and that, to the best of its knowledge, the use which the Debtor has made, makes or intends to make of the Collateral will not result in the location on or disposal or other release of any petroleum products, oil hazardous substances or solid waste on or to the Collateral The Debtor hereby agrees to pay any fines charges, fees expenses, damages losses, liabilities, response costs, or attorneys' fees and expenses arising from the application of any such Applicable Environmental Law to the Collateral or the Secured Party This indemnity shall survive any payment of the indebtedness and foreclosure of the Security Agreement, repossession of the Collateral or the taking by the Secured Party of any action in lieu of foreclosure or repossession The Debtor agrees to notify the Secured Party in the event that any governmental agency or other entity notifies the Debtor that it may not be in compliance with any Applicable Environmental Laws The Debtor agrees to permit the Secured Party to have access to the Collateral at all reasonable times in order to conduct, at the Secured Party's expense, any test which the Secured Party deems necessary to ensure that the Debtor and the Collateral are in compliance with all Applicable Environmental Laws Debtor further warrants that no funds secured hereby will be used for a purpose that will contribute to the excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as further explained in 7 CFR Part 1940, Subpart G, Exhibit M

IV. EVENTS OF DEFAULT

The occurrence of any of the following described events shall constitute a default hereunder

1 Any failure by Debtor to observe or to perform any condition, covenant or undertaking under this Security Agreement, or any breach by Debtor of any warranty or representation in this Security Agreement or

2 Debtor commits a breach or default under, or Debtor breaches any warranty or representation made by Debtor in any note agreement assignment, security agreement mortgage deed of trust or related agreement or document between the parties hereto whether previously executed or executed in the future or

3 There is any material loss, deterioration or decline in the value of the Collateral which is not covered by insurance, or

4 Debtor shall default under any obligation or undertaking of Debtor, if the effect of such default is to cause, or permit the holder of such obligation or undertaking or any representative on the holder's behalf to cause, such obligation or undertaking, or any part thereof, to become due prior to its maturity date or prior to its regularly scheduled dates of payment A default under any agreement creating a lien on the Collateral shall be a default hereunder, regardless of acceleration or non-acceleration of the obligation secured thereby, or

5 Debtor fails to make any payment of principal or interest to Secured Party on any note held by Secured Party or under any agreement with Secured Party on or before the date such payment is due, or if the note is a demand instrument, fails to tender payment in full when demand is made or

6 Debtor fails to pay any other charges due to Secured Party within five (5) days after it is billed or demanded by Secured Party or

7 A voluntary application is made for the appointment of a receiver, liquidator custodian, trustee or similar official or similar fiduciary for Debtor or Debtor's property and the application is not dismissed within thirty (30) days after being made, or

8 Any execution or distraint process is issued against Debtor or its property and is not removed, dismissed or satisfied within thirty (30) days, or

9 Any final judgment for the payment of money shall be rendered by a court of record against Debtor and Debtor shall not discharge the same within thirty (30) days from the date of entry thereof or

10 Debtor becomes insolvent makes an assignment for the benefit of creditors, or offers a composition or extension to creditors or

11 The commencement by or against Debtor of (i) a case under any chapter of the Federal Bankruptcy Code as amended or (ii) a proceeding for reorganization or readjustment of any of Debtor's debts or for any other relief under any other state or federal law now or hereafter enacted for the relief of debtors or (iii) a proceeding for dissolution, liquidation or an arrangement, which case or proceeding is not vacated terminated or dismissed within thirty (30) days after such commencement, or

12 Any attachment execution or levy is made on any of the Collateral or

13 Debtor shall fail to comply with or become subject to any administrative or judicial proceeding under any Federal state or local (i) hazardous waste or environmental law (ii) asset forfeiture or similar law which can result in the forfeiture of property or (iii) other law where noncompliance may have any significant effect on the Collateral or impair the ability of the Debtor to pay the indebtedness and perform strictly in accordance with the terms of this Security Agreement or

14 Debtor uses any loan proceeds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce or to make possible the production of an agricultural commodity as further explained in 7 CFR Part 1940 Subpart G Exhibit M or

15 Secured Party shall receive at any time evidence that the security interest granted hereunder is not prior to all other security interests in or other liens or encumbrances on or claims to the Collateral, except those, if any, set forth in Section 2 of Article III hereof, or

16 If Debtor fails to furnish financial information as required pursuant to Section 15 of Article III hereof and such failure continues for thirty (30) days after written notice to Debtor of such failure

V RIGHTS AND REMEDIES ON DEFAULT

Upon the occurrence of any of the foregoing events of default, Secured Party shall have the option to declare all indebtedness or obligations of Debtor under this Security Agreement and any other agreement, note or undertaking under which Debtor is obligated to Secured Party, whether previously or simultaneously executed or executed in the future, including all liabilities under any agreements assigned to Secured Party with recourse, together with interest thereon to become immediately due and payable without further notice or demand by Secured Party and to exercise from time to time all the rights and remedies that Secured Party may have under the UCC at law in equity or other remedy together with the following rights and remedies

1 To the extent permitted by law, the right to take possession of the Collateral with or without judicial process,

2 The right peaceably by its own means and with or without judicial assistance, to enter into or on Debtor's premises and take possession of the Collateral or render it unusable and to sell, lease or otherwise dispose of the Collateral either with or without taking possession of the Collateral, without any liability for rent, storage utilities or other sums (and Debtor shall not resist or interfere with such action),

3 The right to require Debtor to assemble any of the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to Debtor and Secured Party

4 If permitted by law, the right to apply for and have a receiver, custodian or similar fiduciary appointed by any court of competent jurisdiction in order to manage, protect and preserve the Collateral and continue the operation of Debtor's business and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of the receiver, and to the payment of Debtor's liabilities and indebtedness secured hereby, and

5 If Debtor defaults on or fails to perform any covenant, warranty or representation within this Security Agreement the right at Secured Party's option, to make payments or incur expenses to relieve the effect of the default or restore the performance, provided, however that Secured Party shall be under no obligation to do so, and further provided that any such action by Secured Party shall not constitute a waiver of any such default Any payment made or expense incurred by Secured Party in relieving the effect of any such default or restoring any such performance shall be a liability secured by the Collateral and shall constitute part of Debtor's liabilities and obligations to Secured Party, together with interest thereon at the highest rate set forth in any agreement or note from Debtor to Secured Party Debtor shall, to the extent not prohibited or limited by applicable law, reimburse Secured Party for all costs, expenses, charges and reasonable attorneys' fees incurred by Secured Party to enforce the provisions of this Security Agreement, including its costs of foreclosure and costs of obtaining money damages, and all costs, expenses charges and reasonable attorneys' fees incurred by Secured Party to collect any present or future liability or obligation owing by Debtor to Secured Party, together with interest thereon at the highest rate set forth in any agreement or note from Debtor to Secured Party Notwithstanding anything to the contrary herein contained, Secured Party reserves the right to demand payment in full of any obligation of Debtor payable to Secured Party on demand without occurrence of any of the foregoing events of default

VI FORECLOSURE PROCEDURES

1 Debtor hereby agrees that a notice sent to it at least ten (10) days before the time of any intended public sale or of the time after which any private sale or other disposition of the Collateral is to be made shall be deemed to be reasonable notice of such sale or other disposition

2 Secured Party has no obligation to clean-up or otherwise prepare the Collateral for sale

3 Secured Party has no obligation to attempt to satisfy the indebtedness secured hereby by collecting from any other person liable for such indebtedness and Secured Party may release, modify or waive any collateral provided by any other person to secure any of such indebtedness all without affecting Secured Party's rights against Debtor Debtor waives any right it may have to require Secured Party to pursue any third person for any of said indebtedness

4 Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale or other disposition of the Collateral

5 Secured Party may sell the Collateral without giving any warranties as to the Collateral Secured Party may specifically disclaim any warranties, express or implied, including merchantability and fitness for a particular purpose, and any such disclaimer will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral

6 If Secured Party sells any of the Collateral on credit, Debtor will be credited only with payments actually made by the purchaser received by Secured Party and applied to the indebtedness of said purchaser In the event that the purchaser fails to pay for the Collateral and Secured Party resells any of the same, Debtor shall be credited with the proceeds of the resale

7 Secured Party shall have no obligation to marshal any assets in favor of Debtor or against or in payment of any of the specific indebtedness secured hereby or any other obligation owed to Secured Party by Debtor or any other person

8 In the event Secured Party purchases the Collateral or any part thereof, Secured Party may pay for the Collateral purchased by crediting some or all of the indebtedness

VII PERFECTION OF SECURITY INTERESTS

1 Debtor hereby authorizes Secured Party from time to time to file a financing statement or financing statements, expressly including in lieu filings continuation statements and amendments as Secured Party deems necessary to perfect its security interests, describing the Collateral and containing any information required by Article 9 for the sufficiency or filing office acceptance thereof Debtor will reimburse Secured Party for the cost of filing any such financing and continuation statements on demand Debtor authenticates all such filings and agrees that UCC filings may be made without notice to Debtor and without Debtor's signature

2 Secured Party may, from time to time, request from the appropriate filing officer or filing officers of each Collateral State the Chief Executive Office State and the Debtor State an official report confirming the filing of a financing statement describing the security interests granted herein and indicating any other security interests agricultural liens or other interests in the Collateral on file with such filing officer and Debtor will reimburse Secured Party for the cost thereof on demand

3 Debtor shall have possession of the Collateral except where expressly otherwise provided in this Security Agreement or where Secured Party elects to perfect its security interest by possession in addition to the filing of a financing statement

4 Where the Collateral is in the possession of a third party Debtor will join with Secured Party in notifying the third party of Secured Party's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Secured Party Debtor will further instruct such third party to provide reasonable access to the Collateral and any records in such party's possession relating to the Collateral to Secured Party, without notice to or further consent from Debtor

5 Debtor will cooperate with Secured Party in obtaining control with respect to Collateral consisting of (i) Deposit Accounts (ii) Investment Property, (iii) Letter-of-credit Rights, and (iv) electronic chattel paper Debtor shall notify Secured Party within ten (10) days after any change in the jurisdiction of a bank issuer of an uncertificated security, issuer of or nominated person under a letter of credit, securities intermediary and commodity intermediary so that Secured Party may file any additional financing statements deemed desirable by Secured Party to continue its perfection and lien status subsequent to any such change

6 If the Collateral includes chattel paper Debtor will not create any chattel paper without placing a legend thereon acceptable to Secured Party indicating that Secured Party has a security interest in said chattel paper

7 If the Collateral taken includes commercial tort claims, Debtor shall immediately notify Secured Party in writing of the details thereof (specifying the identity of the obligor(s), nature of the claim, and forum, if any, in which the claim is being or has been litigated) and shall thereupon at Secured Party's request grant to Secured Party in a writing in form and substance satisfactory to Secured Party a security interest therein and in the proceeds thereof all upon the same terms as those contained in this Security Agreement

8 If the Collateral taken includes deposit accounts, Debtor shall immediately notify Secured Party in writing of a description of said deposit account and shall promptly (within no more than ten (10) days after the acquisition thereof) notify Secured Party in writing of a description of any such deposit account thereafter acquired by Debtor (for each deposit account specifying the identity of the bank, the bank's address the account number and the identity of the bank officer responsible for Debtor's relationship with the bank) and shall thereupon, at Secured Party's request grant to Secured Party in a writing in form and substance satisfactory to Secured Party a security interest therein and in the proceeds thereof all upon the same terms as those contained in this Security Agreement

9 If the Collateral taken includes letter-of-credit rights, Debtor shall immediately notify Secured Party in writing of a description of said letter-of-credit and shall promptly (within no more than ten (10) days after the acquisition thereof) notify Secured Party in writing of a description of any such letter-of-credit thereafter issued for the benefit of Debtor (for each letter-of-credit specifying the identity of the issuer the issuer s address and the letter-of-credit number) and shall thereupon, at Secured Party s request grant to Secured Party in a writing in form and substance satisfactory to Secured Party a security interest in the rights to payment and performance thereunder and the proceeds thereof all upon the same terms as those contained in this Security Agreement

10 Debtor will not allow any of the Collateral which does not constitute Fixtures as of the date of this Security Agreement to become affixed to any real property in any manner that would change its nature from that of personal property to real property or to a fixture

11 Secured Party has no duty to collect any income accruing from the Collateral or to preserve any rights relating to the Collateral All risk of loss with respect to the Collateral remains with Debtor

12 Debtor will execute from time to time any documents and shall take such action as shall be required by Secured Party to perfect the security interest granted herein or to effectuate the purposes of this Security Agreement

VIII MISCELLANEOUS PROVISIONS

1 Debtor hereby irrevocably authorizes Secured Party, or its agents, on its behalf, to complete and supply any omission or blank space in this Security Agreement or in any other document executed by Debtor and delivered to Secured Party Debtor further agrees to execute any further documents, all of which are hereby fully authenticated by Debtor to the extent possible, and to take any further actions reasonably requested by Secured Party to evidence or perfect the security interest granted herein in the Collateral, to maintain the priority of the security interests or to effectuate the rights granted to Secured Party herein.

2 As used herein, the term "UCC" means the Uniform Commercial Code, as adopted in the state of NC (the "State") Except as otherwise provided in this Section VIII, any term defined in the UCC and used but not defined in this Security Agreement has the meaning when used herein given to such term in the UCC No reference to "proceeds" in this Security Agreement authorizes any sale, transfer or other disposition of the Collateral by Debtor The terms "includes" and "including" are not limiting the term "or" is not exclusive, and the term "all" includes "any" and the term "any" includes "all"

3 Secured Party's failure or delay at any particular time to exercise a right, remedy, privilege or option herein contained shall not be construed as or constitute a waiver of such or of any other warranty, undertaking, right, privilege, remedy or option in the future or of any subsequent breach, and shall in no way affect or impair Secured Party's rights or its security interests or liens as herein provided or Debtor's liability hereunder No delay or omission on the part of Secured Party in exercising any right shall operate as a waiver of such right or any other right All Secured Party's rights and remedies, whether evidenced hereby or by any other agreement instrument or paper shall be cumulative and may be exercised singularly or concurrently Secured Party may proceed against any of the Collateral, or any other Collateral in any order

4 Secured Party shall not be required to post any bond or furnish surety or security before asserting any right, claim, possession dominion or control over, in or to the Collateral

5 All covenants, agreements representations and warranties made herein shall be deemed to be material and relied upon by Secured Party, and shall survive the execution and delivery of this Security Agreement

6 All of Secured Party's rights hereunder shall inure to the benefit of its successors and assigns, and all obligations of Debtor shall be binding on Debtor's successors and assigns and upon all persons who shall become bound as a debtor to this Security Agreement, but Debtor may not assign any of its rights or obligations under this Security Agreement without Secured Party's prior written consent and any such assignment made without the prior written consent of Secured Party shall be void

7 Secured Party may assigns its rights and interests under this Security Agreement All of Secured Party's rights hereunder shall inure to the benefit of its successors and assigns The term "Secured Party" includes any agent or representative of the Secured Party and anyone on whose behalf Secured Party is acting as an agent or representative, which capacity need not be disclosed If an assignment is made, Debtor shall render performance under this Security Agreement to the assignee Debtor waives in favor of any assignee of Secured Party and agrees not to assert against such assignee any claims, defenses or set-offs which either could assert against Secured Party except defenses which cannot be waived

8 It is the intent of the parties hereto that this Security Agreement secure existing and future indebtedness and notwithstanding the reduction of the amount(s) secured hereby at any time to zero this Security Agreement shall remain in full force and effect until a duly executed Termination Statement(s) is filed of record terminating Secured Party's interest in the Collateral

9 If more than one debtor signs this Security Agreement or if any subsidiary of Debtor joins this Security Agreement and becomes a debtor hereunder the liability of all Debtors shall be joint and several and the term "Debtor" as used herein shall mean all such Debtors collectively and severally, and it is expressly understood and agreed that Secured Party upon the occurrence of an Event of Default may, at its option proceed against any one or more of Debtors named herein without impairing the right of Secured Party to proceed against all of Debtors collectively The right of Secured Party to proceed against any one or more of Debtors shall in no way operate to release or affect the liabilities covenants warranties representations and undertaking of any other Debtor named herein

10 All parties hereto and all guarantors sureties, endorsers, and co-makers, consent and agree without further notice to any of them, and without affecting the liability of any of them, that (i) performance of any obligation by any party may be waived, extended or accelerated by Secured Party, (ii) any credit arrangement may be renewed, extended or reamortized in whole or in part, (iii) any Collateral may be exchanged surrendered released or otherwise dealt with as Secured Party may determine (iv) any party may be released totally or partially of liability and (v) any defenses that may be available if Secured Party fails to perfect a security interest in property in accordance with applicable laws are waived

All parties hereby severally waive demand, presentation, protest and notice of protest and waive the benefit of all exemption laws now existing or hereafter enacted to the extent set forth in any note or other instrument secured hereby and in any event to the extent of the property described herein and further waive any defenses right to set-off or right of subrogation which they or any of them may or might have against Secured Party its successors or assigns and hereby waive any defense which they or any of them may or might have in connection with the exchange sale surrender or other handling or disposition of any Collateral

11 Should any provision of this Security Agreement be found to be void, invalid or unenforceable by a court or panel of arbitrators of competent jurisdiction, that finding shall affect only the provisions found to be void, invalid or unenforceable and shall not affect the remaining provisions of this Security Agreement

12 This Security Agreement is the entire agreement of Debtor and Secured Party concerning the subject matter hereof, and any modification to this Security Agreement must be made in writing and signed by the party adversely affected thereby

13 Any notices required by this Security Agreement shall be deemed to be delivered when a record has been (i) deposited in any United States postal box if postage is prepaid, and the notice properly addressed to the intended recipient to the address stated on the first page of this Security Agreement or such other address as the respective parties may provide to the other(s) in writing, (ii) received by telecopy or (iii) when personally delivered If Debtor makes an authenticated demand pursuant to the UCC, such authenticated demand will be deemed to be received by Secured Party only when the Secured Party received the request at the address stated on the first page of this Security Agreement (the "notice address") Debtor agrees that Secured Party shall have no duty or obligation to respond to an authenticated demand and will have no notice of an authenticated demand until the Secured Party actually receives the demand at the notice address

14 This Security Agreement is being executed and delivered in the State, and shall be governed by and construed and enforced in accordance with the laws of the State

THIS DOCUMENT IS EXECUTED BY DEBTOR IN FAVOR OF, AND THE TERM "SECURED PARTY" AS USED HEREIN SHALL INCLUDE **AgCarolina Financial, ACA** FOR ITSELF AND/OR AS AGENT/NOMINEE FOR ANY PARTY PURSUANT TO A MASTER AGREEMENT AMONG IT AND ITS WHOLLY-OWNED SUBSIDIARIES **AgCarolina Financial, FLCA** AND **AgCarolina Financial, PCA** , AS THEIR INTERESTS MAY APPEAR AT THE OPTION OF SECURED PARTY, ANY DEFAULT UNDER THE TERMS AND CONDITIONS OF ANY OTHER WRITTEN INSTRUMENT EXECUTED BY DEBTOR (MEANING IN THIS CONTEXT THE OWNER OF THE COLLATERAL OR BORROWER OR BOTH) AND OWNED, HELD OR SERVICED BY SECURED PARTY IN ANY OF THE AFORESAID CAPACITIES SHALL CONSTITUTE A DEFAULT UNDER THIS DOCUMENT

IN WITNESS WHEREOF, the undersigned have caused this Security Agreement to be executed the day and year aforesaid

DEBTOR.

Goldsboro Milling Company
By _____ (SEAL)
H G Maxwell, III, President

Attest _____ (SEAL)
J L Maxwell, III, Secretary

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

SECURED PARTY
AgCarolina Financial, ACA

BY

Name **Ashton Watkins**

Signature _____ Title **Loan Officer**

OCT 9 12012
RECEIVED

State of North Carolina
County of WAYNE

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: HG MAXWELL, III - PRESIDENT, JL MAXWELL, III - SECRETARY

Date: 3RD day of OCTOBER, 2012.

Official Signature of Notary: Laura T Daughtry
Notary's Printed or Typed Name: LAURA T DAUGHTRY, Notary Public

My Commission Expires: JULY 8, 2017

(Official Seal)

LAURA T. DAUGHTRY
NOTARY
PUBLIC
WAYNE COUNTY, NC

State of North Carolina
County of Johnston

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Ashton Watkins - Loan Officer.

Date: 14th day of September, 2012.

Official Signature of Notary: Lori Ann McLamb
Notary's Printed or Typed Name: Lori Ann McLamb, Notary Public

My Commission Expires: 5-17-2014

(Official Seal)

LORI ANN McLAMB
NOTARY
PUBLIC
JOHNSTON COUNTY, N. C.