

COMMERCIAL SECURITY AGREEMENT
NUMBER TLM19790512-SA
NON-NEGOTIABLE-NON-TRANSFERABLE
FILED FOR RECORD

Parties

DEBTOR, U.S. ADMINISTRATIVE ESTATE HELD IN TRUST IN THE DEPOSITORY TRUST COMPANY (DTC)
TEX LEE MASON (and all derivatives thereof)
55 Water Street
New York, NY 10041

Secured Party/Administrator

Tex Lee Mason-El Trust
care of: Tex Lee Mason, Administrator
1401 North Kraemer Blvd
Placentia, California 92871-9998

AGREEMENT

This Security-Agreement is made and entered into on **DATE**, effective *ab initio* **DOB nunc pro tunc**, by and between **TEX LEE MASON EL TRUST**, as the Secured Party, and **TEX LEE MASON** the juristic Persons/Corporation/U.S. Administrative Estate of **TEX LEE MASON** (hereinafter known as Debtor).

NOW, THEREFORE, it is hereby agreed as follows: In consideration for the Secured Party agreeing to provide certain Collateral identified herein, and certain accommodations to the Debtor including, but not limited to, allowing the **DEBTOR** to act as an agent, utilized for the purpose of transmitting commercial activity for the benefit of the Secured Party to the extent that context otherwise required, for the purpose of conducting traffic in commercial activity, as a pipeline for the transmission of goods and chattel property and paper, and as security for payment of all sums due, or to become due or owing by Debtor to Secured Party, Debtor hereby grants to Secured Party for valuable consideration a security interest in the Collateral described herein below and agrees to provide to Secured Party indemnification Bond also contained herein below. Securing the indebtedness and agrees that the Secured Party shall have the rights stated in this Agreement with respect to the collateral in addition to all other rights which Secured Party may have by law.

The security interest granted herein secures any and all indebtedness and liabilities, whatsoever, owed by Debtor to Secured Party whether direct or indirect, absolute or contingent, due or become due, now existing or hereafter evidenced. This security interest is also given to secure any other Debts which may be owed by Debtor to Secured party from time to time as stated herein below.

COLLATERAL

ALL Accounts, Contract Rights, Chattel Paper, General Intangibles, Inventory, Equipment and Fixtures, Whether owned or acquired later, all accessions, additions, replacements, and substitution; all records of any kind relating to any of the foregoing; all proceeds, (including insurance, bond, general Intangibles and account proceeds), together with all the other real and personal property with all and singular the improvements, ways, streets, alleys driveways, passages, waters, watercourse, rights, liberties, privileges, hereditaments, and appurtenances, whatsoever thereunto belonging, or in any wise appertaining, and the reversions and remainders, rents issues and profits thereof, and all estate rights, title interest property, claim and demand whatsoever of the said Debtor, in law, equity, or otherwise however, of, in and to the same and every part thereof including but not limited to the following:

- 1) Preferred Stock Certificate issued as Birth Certificate, **State of Ohio File No. XX-XXX-XXXX**, as received by **OHIO DIVISION OF VITAL HEALTH** and pledge represented by the same including the Bond issued and sold by the UNITED STATES department of the Treasury and Commerce bought by the Federal Reserve Bank and held in Trust at 55 Water Street, New York, NY 10041 by the Depository Trust Company (DTC) and traded on the circle 750 Stock Exchange for the Settlement of ALL DEBT PUBLIC AND PRIVATE predicated on the United States and the Estate described above as the debtor, but not limited to the pignus, hypotheca, heriditaments, res, and the energy and all products derived therefrom, including, but not limited to, the BAILEE all cap **TEX LEE MASON** and **Tex Lee Mason**, or/ and any variation/derivation thereof, and all signatures on all contracts, trusts, and agreements predicated on the United States Vessel and the Estate described above as the debtor.
- 2) Social Security Administration form SSA-3000(6-99) document for account Number including but not limited to employer identification number, cusip and autotris international tracking number.
- 3) Cestui que (Social Security Insurance) trust numbers **123-45-6789** (front) **F1234567** (back).
- 4) Obligation of Debtor in favor of Secured Party as set forth in the express, written Security Agreement No. TLM19790512, amount of said obligation: One Hundred Billion UNITED STATES Dollars (\$100,000,000,000.00).
- 5) all items appearing on creditor/debtor UCC filings as 'collateral,' with all schedules attached thereto.

INDEMNITY CLAUSE

Know all men by these presents, that I, **TEX LEE MASON** (DEBTOR) *am* held firmly bound unto **Tex Lee Mason Trust** (Secured Party) in the sum of present collateral Values and any debts or losses claimed by any and all persons against the Commercial transactions and Investments of aforesaid Collateral up to the penal sum of **One Hundred Billion Dollars (\$100,000,000,000.00)** lawful money of the United States, for the payment of which; will and truly be made, I bind myself, my heirs, executors, administrators and third party assigns, jointly and severally and firmly by these presents.

The conditions of the above bond is, that whereas the Collateral described herein above and utilized for the purpose of transmitting goods in Commercial Activity by the Debtor are in pursuit of the Statutes in such case made, provided and indentured to the Secured Party by which indenture the said Debtor covenanted to do certain things in this agreement.

Conditions of this obligation are such that if Secured Party suffers any loss of Vested Rights in the said Collateral Property or monetary Losses due in debts claimed against the aforesaid Collateral Property, or the Debtor, who binds himself by this obligation to make advance payments from Debtor's U. S. Treasury Accounts, established under IMF, BMF, IRAF, EPMF (temporary, Permanent and current) accounts to any and all who make debt claims against any of the Collateral or Vested Rights

in said Collateral of Secured Party, this obligation shall bind the Debtor to fully and faithfully comply with all applicable provisions of law.

This bond shall be in effect as of the date hereon and shall remain in full force and effect until the Surety (Secured Party) is released from liability by the written order of the UNITED STATES Government and provided that the Debtor may cancel this bond at any time and be relieved of further liability hereunder by delivery within thirty (30) days written notice to the Secured Party. Such cancellation shall not affect any bond before the end of thirty (30) day period for an amount equal to or greater than the value of this instrument unless the parties agree otherwise.

The Debtor (Indemnifying Party), without the benefit of discussion or division, does hereby agree, covenant and undertake to indemnify, defend and hold the Secured Party (Indemnified Party) harmless from and against any and all claims, losses, liabilities, costs, interests and expenses (hereinafter referred to as "Claim") including, without restriction, all legal costs, interests, penalties and fines suffered or incurred by the Secured Party arising as a result of the Secured Party having its personal guarantee with respect to any loan or general indebtedness of the Debtor including, without in any way restricting the generality of the foregoing amount owing by the Debtor to all creditors.

The Indemnified Party (Secured Party/Surety) shall promptly advise the Indemnifying Party (Debtor) of any claim and provide the same with full details thereof, including copies of any document, correspondence, suit or action received by or served upon the Indemnified Party (Secured Party). The Indemnified Party (Secured Party) shall fully cooperate with the Indemnifying Party (debtor) in any discussion, negotiations or other proceedings relating to any claim.

OBLIGATIONS OF THE DEBTOR

Debtor warrants and covenants to Secured Party as follows:

ORGANIZATION. Debtor is a corporation, business trust or trust which is duly organized, validly existing, and in good standing under the laws of the United States.

AUTHORIZATION. The execution, delivery, and performance of this Agreement by Debtor have been duly authorized by all necessary action by an organization, or bylaws, or (a) any agreement or other instrument binding upon Debtor or (b) any law, governmental regulation, court decree, or order applicable to Debtor.

PERFECTION OF SECURITY INTEREST. Debtor agrees to execute such statements and to take whatever other actions are requested by Secured Party to perfect and continue Secured Party's interest in the Collateral. Upon request of Secured Party, Debtor will deliver to Secured Party any and all of the documents evidencing or constituting the Collateral and Debtor will note Secured Party's interest upon any and all chattel paper if not delivered to Secured Party for possession by Secured Party. Debtor promptly will notify Secured Party of any change in Debtor's name including any change to the assumed business names of Debtor. This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Debtor may not be Indebted to Secured Party.

ENFORCEABILITY OF COLLATERAL. To the extent the Collateral consists of accounts, contract rights, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content, and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral.

REMOVAL OF COLLATERAL. Debtor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Debtor's address shown above, or at such locations as are acceptable to Principals. Except in the ordinary course of its business, including sales of inventory, Debtor shall not remove the Collateral from its existing locations without the prior written consent of the Secured Party. To the extent that the Collateral consists of vehicles, or other titled property, Debtor shall not take or permit any action which would require registration or sale or disposal, without the prior written consent of Secured party.

TRANSACTIONS INVOLVING COLLATERAL. Except for inventory sold or accounts collected in the ordinary course of Debtor's business, Debtor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Debtor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the Security Interest provided for in this Agreement, without the prior written consent of Secured Party. This includes security interests even if junior in right to the Security Interest granted under this Agreement. Unless waived by Secured Party, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Secured Party and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Secured Party to any sale or other disposition. Upon receipt, Debtor shall immediately deliver any such proceeds to Secured Party.

TITLE. Debtor represents and warrants to Secured Party that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or which Secured Party has specifically consented. Debtor shall defend Secured Party's right in the Collateral against the claims and demands of all other persons.

MAINTENANCE AND INSPECTION OF COLLATERAL. Debtor shall maintain all tangible Collateral in good condition and repair. Debtor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Secured Party and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Debtor shall immediately notify Secured Party of all cases involving the return, rejection, repossession, loss or damage of or any Collateral, of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

TAXES, ASSESSMENTS, AND LIENS. Debtor will pay when due all taxes, assessments and liens upon the collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Secured Party's interest in the Collateral is not jeopardized in Secured Party's sole opinion. If the collateral is subject to a lien which is not discharged within fifteen (15) days, Debtor shall deposit with Secured Party's cash, a sufficient corporate surety bond or other security satisfactory to Secured Party in an amount adequate to provide for the discharge of the lien plus any interest, cost, reasonable attorney's fees or other charges that could

accrue as a result of foreclosure or sale of the Collateral. In any contest Debtor shall define itself and Debtor shall satisfy any final adverse judgment before enforcement against the Collateral.

COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS. Debtor should comply promptly with all laws, ordinances and regulations of all government authorities, applicable to the production, disposition or use of the Collateral. Debtor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Secured Party's interest in the collateral, in Secured Party's opinion, is not jeopardized.

DEBTOR'S RIGHT TO POSSESSION. Until default, Debtor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or Related Documents, provided that Debtor's right to possession and beneficial use shall not apply to any Collateral where possessions of the Collateral by Secured Party is required by law to perfect Secured Party's security interest in such Collateral. *If secured Party at any time has possession of any Collateral, whether before or after an Event of Default, Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral, if Secured Party takes such action for that purpose as Debtor shall request or as Secured Party, in Secured Party's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Debtor shall not of itself be deemed to be a failure to exercise reasonable care.* Secured Party shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Collateral.

EXPENDITURES BY SECURED PARTY. If Secured Party must discharge or pay any amounts under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral, Secured Party also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All expenditures incurred or paid by Secured Party for any purpose will then bear interest at the rate charged under the law.

SUBORDINATION OF DEBTOR'S DEBTS TO SECURED PARTY

Debtor agrees that the indebtedness of the Debtor to the Secured Party, whether now existing or hereinafter created, shall be prior to any such claim that Third Party may now have or hereafter acquire against Debtor whether or not Debtor becomes insolvent. Debtor hereby expressly subordinates any claim Debtor may have against Secured Party, upon any account whatsoever, to any claim that the Secured Party may now or hereafter have against Debtor. In the event of insolvency and consequent liquidation of the assets of Debtor, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of the Debtor applicable to the payment of the claims of both Secured Party and Debtor shall be paid to Secured Party and shall be first applied by Secured Party to the indebtedness of Debtor to Secured Party. Debtor does hereby assign to Secured Party all claims which it may have or acquire against Debtor or against any assignee or trustee in the bankruptcy of Debtor, provided however, that such assignment shall be effective only for the purpose of assuring to Secured Party full payment in legal tender of the indebtedness. If the Secured Party so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Debtor to Third Party shall be marked with a legend that the same are subject to this Agreement and shall be delivered to Secured Party. Debtor agrees, and the Secured Party hereby is authorized, in the name of the Debtor, from the time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Secured Party deems necessary or appropriate to perfect, preserve and enforce the rights under this Agreement.

MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

AMENDMENTS. This Agreement together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement expressly or orally shall be effective unless expressed in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

APPLICABLE LAW. This Agreement has been delivered to Secured Party and accepted by Secured Party in . If there is a Illinois lawsuit, Debtor agrees upon Secured Party's request to submit to the jurisdiction of the DELAWARE courts in the Judicial District at or nearest Secured Party's address shown above, or at Secured Party's option to the jurisdiction of the courts wherever any Property is located. This Agreement shall be governed by and construed in accordance with the laws of the *State of Delaware*.

ATTORNEY'S FEES; EXPENSES. Debtor agrees to pay upon demand all of Secured Party's costs and expenses, including reasonable attorney's fees and Secured Party's legal expenses, incurred in connection with the enforcement of this Agreement. Secured Party may pay someone else to help enforce this Agreement and Debtor shall pay the cost and expenses of such enforcement. Costs and expenses include Secured Party's reasonable attorney's fees and legal expenses whether or not there is a lawsuit, including reasonable attorney's fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Debtor also shall pay all court costs and such additional fees as may be directed by the court.

NOTICES. Except for revocation notices by Debtor, all notices required to be given by either party to the other under this Agreement shall be in writing and shall be effective when deposited with a nationally recognized overnight courier, or when deposited in the United States mail, first class postage prepaid, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing.

INTERPRETATION. In all cases where there is more than one Debtor or the Debtor's principles, the United States Inc. or the State of **Ohio**. is in any way involved, then all words used in this Agreement in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Debtor named in a Claim or when this Agreement is executed on more than one Debtor the words "Debtor" respectively shall mean all and any one or more of them. The words Debtor and Secured Party include the heirs, successors, assigns, and transferees of each of them. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Severability. Should any portion of this Agreement be judicially determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected by such determination and shall remain in full force and effect. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability, or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Waiver. Secured Party shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Secured Party. 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. A waiver by Secured Party of a provision of this Agreement shall not prejudice or constitute a waiver of Secured Party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Secured Party or any course of dealing between Secured Party and Debtor shall constitute a waiver of any of Secured Party's right or any of Debtor's obligations as to any future transactions. Whenever the consent of Secured Party is required under this Agreement, the granting of such consent by Secured Party in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Secured Party.

DEFAULT

The following shall be events of default hereunder; (a) failure by Debtor to pay any debt secured hereby when due; (b) failure by Debtor to perform any obligations secured hereby when the same should be performed.

EVENT OF DEFAULT. The words "Event of Default" mean and include any Event of Default set forth below in the section titled "Events of Default."

DEBTOR. The word Debtor means and includes without limitation, each and all of the Debtors and their Principals, sureties, and accommodation parties in connection with the indebtedness.

INDEBTEDNESS. The word "Indebtedness" means the indebtedness evidenced by this Agreement, including all principal and interest, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or under any of the related documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of DEBTOR'S ORGANIZATION, or any one or more of them, to Secured Party, as well as all claims by Secured Party against Debtor, or any one or more of them, whether existing now or later, whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated, whether Debtor may be liable individually or jointly with others, whether Debtor may be obligated as Debtor, surety, accommodation party or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

RELATED DOCUMENTS. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, registrations, securities with or without a pledge, field warehousing documents and factor's liens, accounts, U.C.C. contract accounts, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default under this Agreement:

1. **DEFAULT ON INDEBTEDNESS.** Failure of Debtor to make any payment when due on the Indebtedness.
2. **OTHER DEFAULTS.** Failure of Debtor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Secured Party and Debtor. If any failure, other than a failure to pay money, is curable and if Debtor has not been given prior notice of a breach of the same provision of this Agreement, it may be cured (and no Event of Default will have occurred) if Debtor, after Secured Party sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b), if the cure requires more than fifteen (15) days, immediately initiate steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.
3. **FALSE STATEMENTS.** Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor under this Agreement is false or misleading in any material respect, either now or at the time made or furnished.
4. **DEFECTIVE COLLATERALIZATION.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.
5. **INSOLVENCY.** The dissolution or termination of Debtor's existence as a going business, the insolvency of Debtor, the appointment of a receiver for any part of Debtor's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor.
6. **CREDITOR PROCEEDINGS.** Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Debtor against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Debtor's deposit account with Secured Party. However, this Event of Default shall not apply if there is a good faith dispute by Debtor as to the validity or reasonableness of the claim which is the basis of the creditor proceeding and if Debtor gives Secured Party written notice of the creditor proceeding and deposits with Secured Party monies or a surety bond for the creditor proceeding, in an amount determined by Secured Party, in its sole discretion, as being an adequate reserve or bond for the dispute.
7. **EVENTS AFFECTING DEBTOR.** Any of the preceding events occurs with respect to any Debtor or any of the Indebtedness or such Debtor dies or becomes incompetent. Secured Party, at its option, may, but shall not be required to, permit the Debtor's estate to assume unconditionally the obligations arising under the Agreement in a manner satisfactory to Secured Party, and, in doing so, cure the Event of Default.
8. **INSECURITY.** Secured Party, in good faith, deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT

If an Event of Default occurs under this Agreement, at any time thereafter, Secured Party shall have all the rights of a Secured Party under the Uniform Commercial Code. In addition and without limitation, Secured Party may exercise any one or more of the following rights and remedies:

1. **ACCELERATE INDEBTEDNESS.** Secured Party may declare the entire indebtedness, including any prepayment penalty which Debtor would be required to pay, immediately due and payable, without notice.

2. **ASSEMBLE COLLATERAL.** Secured Party may require Debtor to deliver to Secured Party all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party. Secured Party also shall have full power to enter upon the property of Debtor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession. Debtor agrees Secured Party may take such other goods, provided that Secured Party makes reasonable efforts to return them to Debtor after repossession.
3. **SELL THE COLLATERAL.** Secured Party shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Debtor. Secured Party may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate unless payment of interest at the rate would be contrary to applicable law, in which event such expenses shall bear interest at the highest rate permitted by applicable law from date of expenditure until repaid.
4. **APPOINT RECEIVER.** To the extent permitted by applicable law, Secured Party shall have the following rights and remedies regarding the appointment of a receiver; (a) Secured Party may have a receiver appointed as a matter of right, (b) the receiver may be an employee of the Secured Party and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate unless payment of interest at that rate would be contrary to applicable law, in which event such expenses shall not bear interest at the highest rate permitted by applicable law from date of expenditure until repaid.
5. **COLLECT REVENUES, APPLY ACCOUNTS.** Secured Party, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Secured Party may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenue therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Secured Party may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Secured Party may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Secured Party may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Secured Party may, on behalf of and in the name of Debtor, receive, open and dispose of mail addressed to Debtor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Secured Party may notify account debtors and obligors on any Collateral to make payments to Secured Party.
6. **OBTAIN DEFICIENCY.** If Secured Party chooses to sell any of the Collateral, Secured Party may obtain a judgment against Debtor for any deficiency remaining on the Indebtedness due to Secured Party after application of all amounts received from the exercise of rights in this Agreement. Debtor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.
7. **OTHER RIGHTS AND REMEDIES.** Secured party shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Secured Party shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.
8. **CUMULATIVE REMEDIES.** All of Secured Party's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Secured Party to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Debtor under this Agreement, after Debtor's failure to perform, shall not affect Secured Party's right to declare a default and to exercise its remedies.

Power of Attorney. Debtor hereby authorizes and appoints Secured Party to act as Debtor's agent and/or attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) indorse all documents, instruments, licenses, permits, notes, checks, drafts, and money orders, of any type or nature; (b) to demand, collect, receive, receipt for, sue, and recover all sums of money or other property which may now or hereafter become due, owing, or payable to the Debtor; (c) execute, sign, and indorse any and all claims, instruments, receipts, checks, drafts, or warrants issued in payment for the Collateral; (d) to settle or compromise any and all claims; and (e) to file any claim or claims or to take any action or institute or take part in any proceedings, either in his own name or in the name of the Debtor, or otherwise, which in the discretion of Secured Party may seem to be necessary or advisable. In addition, the signature of Secured Party on any instrument, license, permit, or any document now existing or hereafter arising, upon which the name of the Debtor is, howsoever evidenced, is hereby the authorized signature of Secured Party as agent representing Debtor. In addition, the Secured Party may, on behalf of and in the name of the Debtor, receive, open, and dispose of mail addressed to Debtor, and change any address to which mail and payments are to be sent. This power is given as security for the Indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by the Secured Party in writing.

DEFINITIONS and GLOSSARY OF TERMS

As used in this Security Agreement, the following words and terms shall have meanings ascribed to them in this section, non-obstinate. From Black's Law Dictionary and Uniform Commercial Code.

"Accommodation Party" See Black's Law Dictionary, 6th ed. See also UCC § 3-419

"Account(s)" See Black's Law Dictionary 6th ed., Account. See also UCC § 4-104, (1) (a) and UCC § 9-106.

"Agent" See Black's Law Dictionary, 6th ed.

"Agreement" See Black's Law Dictionary, 6th ed. See also UCC § 1-201 (3)

"Artificial Person(s)" See Black's Law Dictionary, 7th ed. See also Dummy Corporation and Straw Woman. UCC § 1-201 (28)

"Bailee" See Black's Law Dictionary, 6th ed. See also UCC § 7-102 (1) (a)

"Beneficiary" See Black's Law Dictionary, 6th ed. See also UCC § 5-103 (1) (d), also see (Secured Party)

"Buyer" See Black's Law dictionary, 6th ed. See also UCC § 2-103 (1) (a)

"Charge back" See Black's Law Dictionary, 6th ed. See also Surety and UCC § 4-212

"Chattel Paper" See Black's Law Dictionary, 6th ed. UCC § 9-105 (b)

"Claim(s)" means: **1.** right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, un-matured, disputed, undisputed, legal, equitable, secured or unsecured. **2.** To demand as one's own,

challenge of property or ownership of a thing which is wrongfully withheld. See Hill v Henry, 66 N.J. Eq. 150, 57 Atl. 555. Also a claim is to state. See Douglas v. Beasley, 40 Ala. 147, Prigg v. Pennsylvania, 16 pct. 615, 101. Ed. 1060.

“**Collateral**” See Black’s Law Dictionary, 6th ed. and UCC § 9-105 (l) (c)

“**Contract**” See Black’s Law Dictionary, 6th ed. and UCC § 1-201 (11)

“**Contract Right**” See UCC § 9-106

“**Creditor**” means a person to whom a debt is owing by another person who is the “debtor.” One who has a right to require the fulfillment of an obligation or contract. One to whom money is due, and, in ordinary acceptance, has reference to financial or business transactions. The antonym of “debtor.” See also Black’s Law Dictionary, 6th ed. And UCC § 1-201 (12) (Secured Party)

“**Currency**” See Black’s Law Dictionary, 7th ed.

“**Derivatives**” means coming from another, taken from something preceding; secondary. That which has not its origin in itself, but owes its existence to something foregoing. Anything obtained or deduced from another. See also Black’s Law Dictionary, 6th ed.

“**Debt**” See Black’s Law Dictionary, 6th ed. See also Burke v. Boulder Milling & Elevator Co. 77 Colo. 230, 235 P. 574, 575, and U.S. Sugar Equalization Board v. P. De Ronde & Co. C.C.A Del, 7.2d 981, 984.

“**Debtor**” means THE ORGANIZATION named herein and all derivatives thereof, See also Black’s Law Dictionary, 6th ed. and UCC § 9-105 (l) (d)

“**Delegation of Performance**” See UCC § 2-210

“**Delivery**” See Black’s Law Dictionary, 6th ed. and UCC §1-201 (14)

“**Documents of Title**” See UCC Section 1-201 (15) and UCC Section 7-104, also § 9-105 (l). See also Black’s Law Dictionary, 7th ed., Document of title.

“**Dummy Corporation**” means THE ORGANIZATION named herein and all derivatives thereof, an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances of a single person (such as the Debtor). “The corporation is distinct from the individual or individuals who comprise it.” Such entity subsists as a body politic under a special denomination, which is regarded in law as having a personality and distinct from that of its several members, See Dartmouth College v. Woodward. (4 Wheat) 518, 636, 657, 4 L.Ed. 629, U.S. v. Trinidad Coal Co. 137 U.S. 160, 11 S.Ct. 57, 341, Ed. 640; Andrews Bros. Co. v. Youngstown Coke Co. 86 F.585, 30 C.C.A. 293, Porter v. Railroad Co., 76 Ill.573; Nebraska Wheat Grower’s Ass’n v. Smith, 115 Neb. 177, 212 N.W. 39,44; State v. Thistle Down Jockey Club, 114 Ohio St. 582,151 N.E. 709, 711; Congdon v. Congdon, 160 Minn. 343, 200 N.W. 76, 87; Forest City Mfg. Co. v. International Ladies’ Garment Workers’ Union, Local No. 101, 233 Mo. App 935, Ill S.W. 2d. 934; in re Crown Heights Hospital, 183 Misc. 563, 49 N.Y.S. 2d 658, 660; Froelich and Kuttner of Manila, P.L., v. Sutherland, 57 App. D.C. 294, 22 l 2d 870, 872. And also “in rare instances where it lists a single person (such as the Debtor) this would be considered a corporation sole, which consists of only that one person only and his successors, in some particular station, who are incorporated by law in order to give them some legal capacities and advantages, particularly that of perpetuity, which in their natural persons they could not have.” (or in the present situation, to give them some legal capacity or advantage of dealings in the government commercial activities which in their natural persons they could have not have). See Step. Comm. 168, 169; First Parish v. Dunning, 7 Mass. 447; Reid v. Barry, 93 Fla. 849, 112 So. 846, 859. The court cases also state that a corporation may exist as Domestic and or Foreign, with reference to the laws and the courts of any given state, a “domestic” corporation in one created by, or organized under the laws of that state; a “foreign” corporation is one created by or under the laws of another state, government, or country. (As in the present situation of a U.S. corporation in Puerto Rico, see (BMF) Business Master File). In re Grand Lodge, 110 Pa. 613, 1 A 582; Fowler v. Chilingworth, 94 Fla. L, 113 So. 667 669; in re Ewles’ Estate, 105 Utah 507; 143 P.2d 903, 905. The also state that, “A Corporation de facto is one existing under the color of law and in pursuance of an effort made in ‘good faith’ to organize a corporation under the statute; an association of men claiming to be legally incorporated company, and exercising the powers and functions of a corporation, but without actual lawful authority to do so.” See Foster v Hare 26 Tex. Civ. App 177, 62 S.W. 541; Cedar Rapids Water Co. v. Cedar Rapids, 118 Iowa, 234, 91 N.W. 1081; Tulare Irrig. Dist. V. Shepard, 185 U.S. 1, 22 S. Ct. 531, 46 L. Ed. 773; Evans v. Anderson, 132 Minn. 59 155 N.W. 1040, 1041. The fictitious named (Debtor), a straw Woman, or dummy corporation created by the government without knowledge or intent of the natural person (Secured Party), only exist under the color of law and claiming only to be legally incorporated for the purpose of commerce, and exercising the powers and functions of a corporation, without actual lawful authority to do so, but strictly for the benefit of the government and its commerce. The government shows the capital letter spelling of the Debtor name when they created the “fictitious named” corporation, due to the need of a specific name required for each separate legal entity’s identification. Therefore, when a corporation is constructed, a name is always given to it, or supposing to be actually given, will attach to it be implication, and by that name alone it must sue and be sued, and do all legal acts. Though a very minute variation therein is not material and the name is capable of being changed (by competent authority) without affecting the identity or capacity of the corporation. See Wharton on Corporations. See also Black’s Law Dictionary. 6th ed, Dummy.

“**Duty of Care; Contractual Limitation**” See UCC § 7-204

“**General Intangibles**” See Black’s Law Dictionary, 6th ed And UCC § 9-106

“**Goods**” See Black’s Law Dictionary, 6th ed. And UCC §§ 2-105, 9-105 (h), 9-109

“**Entrusting**” See UCC § 2-403 (2), (3), and (4)

“**Incapacity**” See Black’s Law Dictionary, 6th and 7th ed. See also UCC § 3-305 (2) (b)

“**Indemnities**” See UCC § 5-113

“**Indemnity**” means a collateral contract or assurance by which one person engages to secure another against an anticipated loss or to prevent him from being damaged by the legal consequences of an act or forbearance on the part of one of the parties or of some third person. See Nat’l Bank of Tifton v. Smith, 142 Ga. 663, 83 S.E. 526, 528, I.R.A. 1915B, 116. See also Black’s Law Dictionary, 7th ed., Indemnity.

“**Instrument(s)**” See ‘Instrument,’ Black’s Law Dictionary, 6th ed. See also UCC § 3-102 (e) and 9-105 (l)

“**Item(s)**” mean(s) part of a whole. See also UCC Section 4-104 (g)

“**Juristic Person**” *Site* UNITED STATES V. SCOPHONY CORP. 69 E.SUPP.666, “From earliest times the law has enforced rights and exacted liabilities by utilizing a corporate concept-by recognizing, that is, **Juristic Persons** other than Human Beings. The theories by which this mode of legal operation has developed, has been justified, qualified, and defined are the subject-matter of a very sizable library. The historic roots of a particular society, economic pressures, philosophic notions, all have had their share in the law’s response to the ways of men in carrying on their affairs through what is now the familiar device of the Corporation----- Attribution of legal rights and duties to a JURISTIC PERSON other that Woman is necessarily a metaphorical process. And none the worse for it. No doubt, “Metaphors in law are to be narrowly watched, Cardozo, J., in Berkey V. Third Avenue r. Co. 244 N.Y. 84, 94. But all instruments of thought should be narrowly watched lest they be abused and fail in their service to reason.” *Also see* DEBTOR, DUMMY CORPORATION, and ARTIFICIAL PERSON.

“**Liability**” means every kind of legal obligation, responsibility, or duty. Also the state of being bound or obligated in law or justice to do, pay or make good something. See Mayfield v. First nat’l Bank of Chattanooga, Tenn, C.C.A. Tenn, 137 F.2d 1013, 1019; Feil v. City of Coer d’ Alene, 23 Idaho 32, 129 P. 643, 649, 43 I.R.A. N.S. 1095; Breshaw v. Rightmire, 196 N.Y.S. 539, 541, 119 Misc. 833. See also Black’s Law Dictionary, 6th ed. Liability.

“**Money**” means the medium of exchange authorized or adopted by a government as part of its currency. See also UCC § 1-201 (24)

“**Natural Person(s)**” means a human being, as distinguished from an artificial person created by law. See Black’s Law

