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ICC Washington, D. C.

RECORDATION No. 8453 Filed & Recorded

AUG 26 1976 9 26 AM
INTERSTATE COMMERCE COMMISSION

August 23, 1976
INTERSTATE
COMMERCE COMMISSION
RECEIVED
AUG 25 1976

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

8453 B

ADMINISTRATIVE SERVICES
RECORDATION No. 8453 Filed & Recorded

Attention: Railroad Documentation

AUG 26 1976 9 26 AM
INTERSTATE COMMERCE COMMISSION

Gentlemen:

AUG 26 1976 9 26 AM
INTERSTATE COMMERCE COMMISSION

Pursuant to the provisions of Section 1116.4 of Chapter X of the Regulations of the Interstate Commerce Commission, the following letter is hereby submitted.

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

Mortgagor, Debtor
Lessor, and Assignor
of Lease:

J. Bruce Hancock
P. O. Box 110
El Campo, Texas

Lessee:

Richmond Leasing Co.
777 South Post Oak Rd.
Houston, Texas 77027

Mortgagee, Secured
Party and Assignee
of Lease:

Texas State Bank
900 Congress Avenue
Austin, Texas 78701

Guarantor:

None

This filing is to record and perfect Texas State Bank's security interest in the railroad tank cars described below, and any and all additions, accessories, accessions, and attachments thereto and substitutions and replacements therefor, and all Management Agreement, leases, and chattel paper related thereto, all proceeds (hereinafter defined) of any of the foregoing, and all monies, income, increase, benefits and products attributable to the foregoing, or accruing thereto. The term "proceeds" shall have the same meaning as used in Chapter Nine of the Uniform Commercial Code as now or hereafter adopted in the State of Texas and shall include (without limitation) all accounts, general intangibles, instruments, documents, monies, insurance, chattel paper, income,

and other property, benefits or rights of whatever kind or nature arising from, attributable to or accruing from any and all sales, leases or other dispositions of any or all of the aforesaid Collateral, and to record and perfect Texas State Bank's security interest in the Lessor's interest in a certain lease ("Management Agreement") of said railroad tank cars between J. Bruce Hancock as Lessor and Richmond Leasing Co. as Lessee, and the collateral assignment of said lease ("Management Agreement") by Lessor to Texas State Bank ("Assignment of Lease").

A general description of the railroad equipment covered by the lease and assignment thereof is as follows:

Ten (10) 23,500 gallon nominal capacity tank cars, DOT 111A100W3, coiled and insulated; with 100-ton roller bearing trucks bearing the following identifying marks and car numbers:

RTMX 2362, RTMX 2359, RTMX 2360, RTMX 2361, RTMX 2357, RTMX 2358, RTMX 2356, RTMX 2355, RTMX 2354, RTMX 2353.

The owner of the aforementioned tank cars is J. Bruce Hancock.

Enclosed are three executed counterparts of the Security Agreement, Assignment of Lease, and Consent to Collateral Assignment, as required by ICC Rules and a check for \$50.00 to cover the filing fee.

The original documents should be returned to Texas State Bank, C/o McGinnis, Lochridge & Kilgore, Fifth Floor Texas State Bank Building, 900 Congress Avenue, Austin, Texas 78701, Attention: Mr. William H. Daniel.

Please call William H. Daniel collect at 512/476-6982 if you have any questions regarding this matter.

Yours very truly,

TEXAS STATE BANK

By


Wayne Baker, Senior Vice President

Interstate Commerce Commission
Washington, D.C. 20423

8/26/76

OFFICE OF THE SECRETARY

- **Texas State Bank**
C/o McGinnis, Lochridge & Kilgore
Fifth Floor Texas State Bank Building
900 Congress Avenue
Austin, Texas 78701
- **Attention: Mr. William H. Daniel**

Dear Sir:

The enclosed document was recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act, 49 U.S.C. 20c, on **8/26/76** at **9:35am**, and assigned recordation number

8453
8453-A
8453-B

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure

SE-39
(2/75)

TEXAS STATE BANK

8453

RECEIVED BY THE BANK OF TEXAS

AUG 26 1978 - 9 AM

J. BRUCE HANCOCK, whose address is P. O. Box 1107, El Campo, Texas 77347 (hereinafter called "Debtor"), for value received, the receipt and sufficiency of which is hereby acknowledged, hereby grants to Texas State Bank, 900 Congress Avenue, Austin, Texas (hereinafter called "Secured Party"), the security interest hereinafter set forth and agrees with Secured Party as follows:

I

SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in and agrees that Secured Party has and shall continue to have a security interest in the following property, including without limitation the items described on exhibits attached hereto and made a part hereof (hereinafter sometimes called "Collateral"), to-wit: Ten (10) 23,500 gallon nominal capacity railroad tank cars, DOT111A100W3, coiled and insulated, with 100-ton roller bearing trucks, and being more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes as though set out herein in full, together with any and all additions, accessories, accessions, and attachments thereto and substitutions and replacements therefor, and all Management Agreement, leases, and chattel paper related thereto, all proceeds (hereinafter defined) of any of the foregoing, and all monies, income, increase, benefits and products attributable to the foregoing, or accruing thereto. The term "proceeds" shall have the same meaning as used in Chapter Nine of the Uniform Commercial Code as now or hereafter adopted in the State of Texas and shall include (without limitation) all accounts, general intangibles, instruments, documents, monies, insurance, chattel paper, income, and other property, benefits or rights of whatever kind or nature arising from, attributable to or accruing from any and all sales, leases or other dispositions of any or all of the aforesaid Collateral.

The security interest granted hereby is to secure the payment of (1) that certain promissory note in the original principal sum of \$ 382,100.00 from J. Bruce Hancock to Texas State Bank, executed August 6, 1976, together with any and all extensions, rearrangements and renewals of each of said notes, executed by or on behalf of Debtor and payable to the order of Secured Party in the manner therein provided; and (2) any and all other indebtednesses and liabilities whatsoever of the Debtor to Secured Party whether direct or indirect, absolute or contingent, due or to become due, whether now existing or hereafter arising and howsoever evidenced or acquired, whether joint or several (all of which are hereinafter sometimes called the "obligations"). Debtor acknowledges that the security interest hereby granted shall secure all future advances as well as any and all other obligations and liabilities of Debtor to Secured Party whether now in existence or hereafter arising.

II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR

(a) Except for the security interest granted hereby, the Debtor is, and as to the Collateral acquired after the date hereof which is included within the security interest specified in Section I hereof, Debtor will be, the owner of all such Collateral free from any and all adverse claims, security interests or encumbrances; and

(b) There is no financing statement or other document constituting notice of a security interest in or lien or encumbrance upon any part of the Collateral now on file in any public office, and so long as any amount remains unpaid on any Obligations of the Debtor to Secured Party, Debtor

will not execute and there will not be on file in any public office any such financing statement or statements or other document constituting notice of a security interest in or lien upon the Collateral except the financing statement and other documents filed or to be filed in respect to the security interest hereby granted; and

(c) Subject to any limitation stated therein or in connection therewith, all information furnished to Secured Party concerning the Collateral and proceeds thereof, or otherwise for the purpose of obtaining credit or an extension of credit, is, or will be at the time the same is furnished, accurate and correct in all material respects; and

(d) The Collateral will be used by the Debtor primarily for business use.

(e) The Collateral includes: inventory leased or held for lease by Debtor and of a type normally used in more than one jurisdiction, chattel paper, leases, and management agreements arising from or related to said inventory, and all the other collateral described in Part I herein.

(f) The only place of business of Debtor is at the address designated at the beginning of this Agreement.

(g) The term "account" as used herein shall have the same meaning as set forth in the Uniform Commercial Code of Texas in effect as of the date of execution hereof, and as set forth in any amendment to the Uniform Commercial Code of Texas to become effective after the date of execution hereof, and shall include all accounts, notes, drafts, acceptances, instruments, documents, general intangibles and chattel paper in which at any time or from time to time Secured Party has or is intended to have a security interest pursuant to Section I hereof. As of the time any account becomes subject to such security interest, Debtor shall be deemed to have warranted as to each and all of such accounts (i) that each account and all papers and documents relating thereto are genuine and in all respects what they

purport to be, (ii) that each account is valid and subsisting and arises out of a bona fide sale or lease of goods sold or leased and delivered to, or out of and for services theretofore actually rendered by the Debtor to, the account debtor named in the account, (iii) that the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any set-offs, credits, deductions or counter-charges, (iv) that the Debtor is the owner thereof free and clear of all liens, encumbrances and security interests of any and every kind or nature whatsoever.

(h) Debtor will:

(1) Pay all costs necessary to preserve and enforce this security interest, collect this obligation and preserve the collateral, and including but not limited to payment of taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, rent, storage costs and expenses of sale;

(2) Furnish Secured Party with any information on the collateral requested by Secured Party;

(3) Allow Secured Party to inspect the collateral and inspect and copy all records relating to collateral and the obligations;

(4) Sign any papers furnished by Secured Party which are necessary to obtain, maintain, and perfect this Security Interest. Debtor agrees that he shall execute collateral assignments satisfactory to Secured Party of his rights under any leases, management agreements, contracts of service, etc. prior to or simultaneously with entering any of said transactions. Debtor warrants that he has assigned his rights in any existing leases, management agreements, or other similar

agreements arising from or related to the railroad tank cars described herein to Secured Party under the terms of a Collateral Assignment of Chattel Paper of even date herewith. Debtor will not alter, amend, or materially change the terms and conditions of the Management Agreement without the written consent of Secured Party;

(5) Assist Secured Party in complying with the Federal Assignment of Claims Act;

(6) Take necessary steps to preserve the liability of account debtors, obligors and secondary parties whose obligations are part of the collateral. Debtor warrants that all account debtors and obligors, whose obligations are part of the collateral, are to the extent permitted by law prevented from asserting against Secured Party and claims or defense they have against Sellers;

(7) Transfer possession of all instruments and documents which are part of the collateral to Secured Party immediately; or as to those hereafter acquired, immediately following acquisition, if requested to do so by Secured Party;

(8) Perfect a security interest using a method satisfactory to Secured Party in goods covered by chattel paper which is part of the collateral;

(9) Notify the Secured Party of any change occurring in or to the collateral, or in any fact or circumstance warranted or represented by the Debtor in this agreement or furnished to Secured Party, or if any event of default occurs. Debtor shall immediately notify Secured Party of any event causing loss or depreciation in value of the Collateral and the amount of such loss or depreciation.

(10) Furnish Secured Party, as soon as possible, but in any event within 30 days after the end of each calendar

quarter, an aging and listing of all accounts receivable for such quarter, together with a listing of the locations of the Collateral and the names and addresses of the lessees of the Collateral, certified by Debtor. Upon receipt, Debtor will furnish copies of the Quarterly Reports (such term being used herein as it is used in a Management Agreement ["Management Agreement"] dated May 3, 1976, between Debtor and Richmond Leasing Company ["Richmond"], a Delaware corporation).

(11) Promptly notify Secured Party in writing of any addition to, change in or discontinuance of his place of business as shown in this agreement and the location of the office where he keeps his records.

(12) Have and maintain insurance at all times with respect to all tangible collateral covered hereby insuring against risks of fire (including so-called extended coverage), theft and such other risks as Secured Party may reasonably require, containing such terms, in such form and amounts and written by such companies as may be reasonably satisfactory to Secured Party, all of such insurance to contain loss payable clauses in favor of Secured Party as its interest may appear; provided, however, that such insurance shall be maintained at least in the amounts and for the types of coverage set forth in paragraph III-9 of the Management Agreement. All policies of insurance shall provide for ten (10) days written minimum cancellation notice to Secured Party and at request of Secured Party shall be delivered to and held by it. Secured Party is hereby authorized to act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts or instruments. Secured Party shall be authorized to apply

the proceeds from any insurance to the Obligations secured hereby whether or not such Obligations are then due and payable.

(13) Keep and maintain the Collateral in good condition and will make replacements in kind, or by chattels of substantially equal value and service, and all replacements shall be covered by the security interest herein granted to Secured Party, and will endeavor to maintain such Collateral at its present worth, ordinary wear and tear alone excepted.

(i) Debtor will not without Secured Party's prior specific written consent:

(1) Remove the collateral from the Continental United States without providing for the protection of Secured Party's security interest to Secured Party's satisfaction.

(2) Sell, lease, otherwise transfer, manufacture, process, assemble or furnish under contracts of service, the collateral, except pursuant to the express terms of that certain Management Agreement dated May 3, 1976 between Richmond Leasing Co. and J. Bruce Hancock.

(j) Debtor warrants that none of the collateral is or will be affixed to real estate except goods identified herein as fixtures or is an accession to other goods, nor will collateral or collateral acquired hereafter be affixed to real estate or become an accession to other goods when acquired, unless Debtor has obtained Secured Party's consent and has furnished Secured Party the consents or disclaimers necessary to make this security interest valid against persons holding interest in the real estate or other goods.

III

RIGHTS AND REMEDIES OF SECURED PARTY

(a) Rights Before or After Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claim or defenses he may have against Secured Party against the Assignee, except those granted in this Security Agreement.

(2) Secured Party may execute, sign, endorse, transfer or deliver in the name of Debtor notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, application for certificates of title or any other documents, necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement;

(3) Secured Party may, at its option, whether before or after default, but without obligation to the Debtor, discharge taxes, liens or security interests or other encumbrances at any time levied or placed upon the Collateral, and may place and pay for insurance thereon, or pay for the repair, improvement, maintenance and preservation of the Collateral and pay any filing or recording fees necessary to preserve and protect the Secured Party pursuant to the foregoing authorization, and such amount shall constitute additional obligations of Debtor which shall draw interest at the maximum applicable legal rate and said obligations and interest shall be secured by and entitled to the benefits of this Security Agreement.

(4) Secured Party shall have the right at any time, in its own name or in the name of Debtor, whether before or after default by Debtor, to notify any and all account debtors, lessees, and parties to any agreement affecting or covering the Collateral to make payment thereof directly to Secured

Party and to demand, collect, receive, receipt for, sue for compound for and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all instruments and commercial paper given in payment or part payment thereof, and in its discretion to file any claim or take any other action or proceeding which Secured Party may deem necessary or appropriate to protect and preserve and realize upon the Security Interest of Secured Party in the Collateral; but to the extent Secured Party does not so elect, Debtor shall continue to collect the accounts. All proceeds of collection of Accounts received by the Debtor shall be forthwith accounted for and transmitted to Secured Party in the form as received by Debtor and shall not be commingled with any funds of the Debtor. All monies, income and benefits due or to become due to Debtor by virtue of leases covered by the Management Agreement shall be transmitted to Secured Party with the Quarterly Reports as such monies, income and benefits become due and payable. Debtor agrees to notify Richmond to transmit all payments due pursuant to paragraph III-8 of the Management Agreement or otherwise to Secured Party. All such remittances described above shall be applied and credited by Bank first to the discharge of any expenses or damages for which Secured Party may be entitled to receive reimbursement under the terms of the Obligations, this agreement, or otherwise, then to the payment of any past due installments of interest, and then to the payment of the earliest maturing of the Principal Obligations under the notes secured hereby, then as additional security for any and all other obligations of Debtor to Secured Party which remain unpaid.

(5) Any and all deposits or other sums now held or hereafter at any time credited by or due from Secured Party to Debtor shall at all times constitute additional security for the Obligations and may be set off against any of the Obligations at any time whether or not such are then due or other security held by Secured Party is considered by Secured

Party to be adequate. Any and all instruments, documents, policies and certificates of insurance, securities, goods, accounts, choses in action, chattel paper, general intangibles, cash, property and the proceeds thereof owned by Debtor or in which Debtor has an interest which are at any time in possession or control of Secured Party or in transit by mail or carrier to or from Secured Party or in the possession of a third party acting for Secured Party's benefit, without regard to whether Secured Party receives the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, shall constitute additional security for obligations of Debtor and may be applied at any time toward Obligations which are then due whether by acceleration or otherwise.

(6) If Secured Party should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value, or should Secured Party deem payment of Debtor's Obligations to Secured Party to be insecure, then Secured Party may call for additional Collateral satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional collateral may be oral, by telegram, or United States mail addressed to Debtor and shall not affect any other subsequent right of Secured Party to exercise the same. Debtor agrees that Secured Party shall have no duty or obligation to collect any account or enforce any general intangible, or to take any other action to preserve or protect the Collateral; however, should Secured Party elect to collect or enforce any general intangible or account, Debtor releases Secured Party from any claim or claims for loss or damage arising from any act or omission in connection with such collection or enforcement.

(B) Rights in Event of Default

(1) Upon the occurrence of an Event of Default, or if Secured Party deems payment of Debtor's obligations to Secured Party to be insecure, and at any time thereafter, Secured Party may declare all obligations secured hereby

immediately due and payable and shall have all the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, or its equivalent if it is not applicable, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the collateral, and the right to take possession of the collateral, and for that purpose Secured Party may enter upon any premises on which the collateral or any part thereof may be situated and remove the same therefrom. 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 which is reasonably convenient to both parties. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least five days before the time of the same or disposition. Expenses of re-taking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorney's fees and legal expenses, and Debtor agrees to pay such expenses plus interest thereon at the maximum legal rate provided by applicable law. Debtor shall remain liable for any deficiency. In addition, Secured Party shall have all the rights and remedies listed under Section A pertaining to rights exclusive of default.

(2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(3) The remedies of Secured Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of a Secured Party.

IV

EVENTS OF DEFAULT

(a) Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein sometimes called an "Event of Default"):

- (1) failure of Debtor to pay when due any interest on or any principal or installment of principal of any of the Obligations of Debtor to Secured Party;
- (2) the occurrence of any event which under the terms of any evidence of indebtedness, indenture, loan agreement, security agreement or similar instrument permits the acceleration of maturity of any indebtedness of Debtor to Secured Party, or to others than Secured Party;
- (3) any representation or warranty made by Debtor herein or made in any statement or certificate furnished to Secured Party by the Debtor pursuant hereto or in connection with any loan or loans proves incorrect in any material respect as of the date of the making or issuance thereof;
- (4) default occurs in the observance or performance by Debtor of any provision of this agreement or of any note assignment or transfer under or pursuant hereto or any other agreement, note, assignment or transfer between Debtor and Secured Party;
- (5) the death, dissolution, termination of existence, insolvency or business failure of the Debtor, or the application for the appointment of a receiver of any part of the property of the Debtor, or the commencement by or against the Debtor of any proceeding under any bankruptcy, arrangement, reorganization, insolvency or similar law for the relief of debtors, or by or against any guarantor or surety for the Debtor, or upon the service of any warrant, attachment, levy or similar process in relation to a tax lien or assessment;
- (6) loss, theft, substantial damage, destruction, sale (except as authorized in this Security Agreement) or encumbrance to or of any of the collateral, or the making of any levy, seizure or attachment thereof or thereon or any other impairment of Secured Party's security interests;

or (7) the Collateral becomes, in the judgment of Secured Party, unsatisfactory or insufficient in character or value.

VI

GENERAL

(a) This loan is made under the laws of the State of Texas as in existence as of the date of this agreement. To the maximum extent possible, this Security Agreement and related agreement and document are to be construed, interpreted and governed by the laws of the State of Texas.

(b) It is the intention of the parties hereto to comply with the usury laws of the State of Texas; accordingly, it is agreed that notwithstanding any provisions to the contrary in this agreement, or in any of the documents evidencing the Obligations secured hereby or otherwise relating hereto or any other agreement, in no event shall this agreement or such documents require the payment or permit the collection of interest (effective, nominal, or otherwise) in excess of the maximum amount permitted by such laws. If any such excess of interest is contracted for, charged or received, under this agreement or under the terms of any of the documents evidencing the Obligations secured hereby or otherwise relating hereto, or any other agreements, or in the event the maturity of the indebtedness evidenced by the Obligations is accelerated in whole or in part, or in the event that all or part of the principal or interest of the Obligations shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this agreement or under any of the instruments evidencing the Obligations secured hereby or otherwise relating hereto, on the amount of principal actually outstanding from time to time under the Obligations shall exceed the maximum amount of interest permitted by the usury laws of the State of Texas, then in any such event (1) the provisions of this paragraph shall govern and control, (2) neither the Debtor nor any other person or entity now or hereafter liable for the payment of the Obligations,

shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by the usury laws of the State of Texas, (3) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal amount hereof (but only if it can be legally so applied) or refunded to Debtor, at the holder's option, and (4) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under the usury laws of the State of Texas as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this agreement or under such other documents which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by the laws of the State of Texas, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loan or loans evidenced by the Obligations, hereby, all interest at any time contracted for, charged or received from Debtor or otherwise by the Secured Party in connection with such loan or loans.

(c) Any provision hereof found to be invalid under the law of the State of Texas, or any other state having jurisdiction, shall be invalid only with respect to the offending provision. All words used herein shall be construed to be of such gender or number as the circumstances require. If this Security Agreement is executed by more than one Debtor, the obligation of all such Debtors shall be joint and several. This agreement shall be binding upon the heirs, personal representatives, successors, or assigns of the parties hereto, but shall inure to the benefit of the successors or assigns of the Secured Party only.

(d) Any carbon, photographic or other reproduction of any financing statement signed by Debtor is sufficient as a

financing statement for all purposes, including, without limitation, filing in any state pursuant to the provisions of the Uniform Commercial Code and the regulations of the Interstate Commerce Commission.

(e) In order to induce Secured Party to advance and loan such funds to and/or for the benefit of Debtor, Debtor hereby covenants and agrees that in the event of default by the Debtor (an event of default shall be any one of those Events of Default stated above) that the Secured Party shall have the absolute and unconditional right, without prior notice and/or any prior hearing of any kind whatsoever, to seize and take possession of the Collateral, and furthermore the Debtor does hereby expressly waive any right to any prior notice and/or any prior hearing prior to any right to any prior notice and/or any prior hearing prior to seizure and taking possession of the Collateral and/or property by the Secured Party in the event of default by the Debtor.

(f) Debtor agrees to pay in full all reasonable expenses, including reasonable legal expenses and attorney's fees of the Secured Party which have been or may be incurred by the Secured Party in connection with the preparation of this agreement, the Obligations secured hereby, the collection of any of the Obligations secured hereby, the enforcement of any of Debtor's obligations hereunder and under any document executed in connection with the granting of security for the payment of any of the Obligations secured hereby, and the recording and filing and re-recording and re-filing of any such document.

(g) The security interest hereby granted and all the terms and provisions hereof shall be deemed a continuing security agreement and shall continue in full force and effect, and all the terms and provisions hereof shall remain effective as between the parties, until the first to occur of the following: (a) the expiration of four (4) years from

the date of payment of Debtor's last obligation to Secured Party; or (b) repayment by Debtor of all Obligations secured hereby and the giving by Debtor of ten (10) days written notice of revocation of the terms and provisions hereof.

(h) The term "Debtor" as used in this instrument shall be construed as singular or plural to correspond with the number of persons executing this instrument as Debtor. The pronouns used in this instrument are in the masculine gender but shall be construed as feminine or neuter as occasion may require. "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties, except as otherwise limited herein.

(i) The acceptance of any late payment or the waiver or modification of any term of this security agreement or any promissory note shall not be construed as being a waiver of the prompt payment of any subsequent payments due or as being the waiver or modification of any other terms of this security agreement or any promissory note. No waiver, modification or additional terms shall be effective unless made in the form of a writing signed by Secured Party and Debtor. The terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(j) This Security Agreement grants to Secured Party a first and prior lien to secure the payment of the debts referred to herein, and extensions and renewals thereof. For the purpose of this paragraph, an extended or renewal note shall be considered executed on the date of the original note. Debtor waives presentment, demand, notice of dishonor, protest and extension of time without notice as to any instruments and chattel paper in the collateral paper.

SIGNED in multiple original counterparts and delivered
on the 6th day of August, 1976.



J. Bruce Hancock

"Debtor"

EXHIBIT A

J. BRUCE HANCOCK

Ten (10) 23,500 gallon nominal capacity tank cars, DOT111A100W3, coiled and insulated; with 100-ton roller bearing trucks bearing the following description and number:

Owner's Name: J. Bruce Hancock

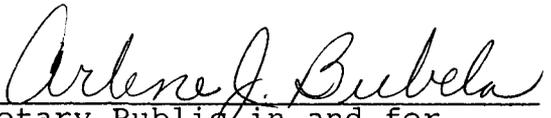
ACI Carrier Index: 1807

Car Numbers: RTMX 2362, RTMX 2359, RTMX 2360,
RTMX 2361, RTMX 2357, RTMX 2358,
RTMX 2356, RTMX 2355, RTMX 2354,
RTMX 2353.

THE STATE OF TEXAS §

COUNTY OF WHARTON §

On this 6th day of August, 1976, before me personally appeared J. BRUCE HANCOCK, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.


Notary Public in and for
Wharton County, Texas