



International Paper Credit Corporation

4825 L B J FREEWAY, SUITE 171 DALLAS, TEXAS 75234 PHONE 214 661-5418

RECORDATION NO. 9978
DEC 29 1978 - 1 02 PM
INTERSTATE COMMERCE COMMISSION

December 28, 1978

No. 8-363A032
Date DEC 19 1978
Fee \$50.00

ICC Washington, D. C.

Ms. Mildred Lee
Office of the Secretary
Interstate Commerce Commission
Office of Recordation
Room 1227
12 Constitution Ave. N.
Washington, DC 20423

New Number

Re: Mid-West Mud Company, Inc.
Oklahoma City, Oklahoma

Dear Ms. Lee:

We are enclosing a Security Agreement for recording a lien in favor of International Paper Credit Corporation on the above. The debtor is Mid-West Mud Company, Inc., 4334 N.W. Expressway, Suite 261, Oklahoma City, Oklahoma 73116 and the Secured Party is International Paper Credit Corporation, 4825 LBJ Freeway, Suite 171, Dallas, Texas 75234. The description of the collateral is three (3) new 2875 Cubic foot pressure differential hopper cars, S/N's MWMX 102, 103, & 104. The person to contact at International Paper Credit Corporation regarding this transaction is the writer. Thank you.

Yours truly,

INTERNATIONAL PAPER CREDIT CORPORATION

A. G. DeWall

A. G. DeWall
Region Credit Manager

RECEIVED
DEC 29 1 21 PM '78
I.C.C.
FEE OPERATION DR.

AGD:rn

enc.

cc: Ms. Ellen Patti-Avellino
International Paper Credit Corp.

Counting Hand Jones



International Paper
Credit Corporation

9978
RECORDATION NO. Filed 1425

DEC 29 1978 -1 22 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made this 8th day of December, 1978
by and between Mid-West Mud Company, Inc.
whose business address is 4334 N.W. Expressway, Suite 261, Oklahoma City, Oklahoma 73116
herein called the "Debtor", and INTERNATIONAL PAPER CREDIT CORPORATION, a Delaware corporation, whose
address is 4825 IBJ Freeway, Suite 171, Dallas, Texas 75234, herein called the "Secured Party".

WITNESSETH:

five hundred sixty-two & 50/100 1. To secure payment of an indebtedness in the principal sum of One hundred seventy-two thousand
sixty-two & 50/100 Dollars (\$ 172,562.50) and evidenced by a note or notes of even date herewith, which Debtor
agrees to pay in Sixty successive monthly installments commencing on the 10th day of January
19 79 , and continuing on the same date of each month thereafter until fully paid; the first 59 installment(s)
each in the amount of \$ 2,876.04 and the 60th and final installment in the amount of
\$ 2,876.14 , with interest, if any, as provided in said note or notes, and also to secure any other
indebtedness or liability of the Debtor to the Secured Party, direct or indirect, absolute or contingent, due or to become due,
now existing or hereafter arising and no matter how acquired by Secured Party, including all future advances or loans which
may be made at the option of the Secured Party, (all the foregoing hereinafter called the "Indebtedness"), Debtor hereby
grants and conveys to the Secured Party a first and superior security interest in, and mortgages to the Secured Party, the property
described below and/or in the Schedule hereto which the Debtor represents will be used primarily in business use, and not for
personal, family, household or agricultural use, all products and proceeds thereof, if any, and all increases, substitutions,
replacements, attachments, additions and accessions thereto, all or any of the foregoing hereinafter called the "Collateral".
(Description of Collateral - make, model, serial no.)
3 - New 2785 cubic foot pressure differential hopper cars, MMX 102, 103, 104

2. Debtor warrants, represents and agrees as follows:

- (a) To pay and perform all of the Indebtedness secured by this Agreement according to its terms;
- (b) To defend the title to the Collateral against all persons and against all claims and demands whatsoever, which Collateral, except for the security interest granted hereby, is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments of any kind, except as may be set forth in the Schedule.
- (c) On demand of the Secured Party to furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in the Collateral and pay all costs of filing in connection therewith, all as may be requested by Secured Party.
- (d) To retain possession of the Collateral until the Indebtedness hereby secured is fully paid and performed and not sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of the Collateral or any part thereof without the prior written consent of the Secured Party.
- (e) To keep the Collateral at the location specified in the Schedule and not remove it (except in the usual course of business for temporary periods) without the prior written consent of the Secured Party.
- (f) To keep the Collateral free and clear of all liens, charges, encumbrances, assessments and other security interests of any kind.
- (g) To pay, when due, all taxes, assessments and license fees relating to the Collateral.
- (h) To keep the Collateral, at Debtor's sole cost and expense, in good repair and condition and not misuse, abuse, waste or allow it to deteriorate except for normal wear and tear and make same available for inspection by the Secured Party at all reasonable times and use and maintain the Collateral in a lawful manner in accordance with all applicable laws, regulations, ordinances and codes.
- (i) To keep the Collateral insured against loss by fire (including extended coverage), theft and other hazards, for its full insurable value, without deductible and without co-insurance, and as the Secured Party may otherwise require. Policies shall be in such form, amounts and with such companies as the Secured Party may approve; shall provide for at least thirty (30)

days prior written notice to Secured Party prior to any modification or cancellation thereof; shall be payable to Debtor and Secured Party as their interests may appear; shall waive any claim for premium against Secured Party; and shall provide that no breach of warranty or representation or act or omission of Debtor shall terminate, limit or affect the insurers' liability to the Secured Party. Certificates of insurance or policies evidencing the insurance required hereby along with satisfactory proof of the payment of the premiums therefor shall be deposited with the Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of the Debtor to do so. Debtor shall give immediate written notice to the Secured Party and to insurers of loss or damage to the Collateral and shall promptly file proofs of loss with insurers. Debtor hereby irrevocably appoints the Secured Party attorney-in-fact, coupled with an interest, for the Debtor in obtaining, adjusting and cancelling any such insurance and endorsing settlement drafts and hereby assigns to the Secured Party all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the Indebtedness.

(j) That the information set forth herein and on the Schedule hereto is complete and accurate and to immediately notify the Secured Party in writing of any change in or discontinuance of Debtor's place or places of business and/or residence and/or Debtor's name or business style and/or any change in the information set forth herein and in the Schedule hereto.

(k) That if the Collateral or part thereof has been attached to or is to be attached to real estate, a description of the real estate and the name and address of the record owner is set forth in the Schedule hereto; if the said Collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of the Secured Party furnish the Secured Party with a disclaimer or waiver of any interest in the Collateral satisfactory to Secured Party and signed by all persons having an interest in the real estate. Notwithstanding the foregoing, the Collateral shall remain personal property and shall not be affixed to realty without the prior written consent of the Secured Party.

(l) To furnish its independent outside audited annual financial statement to Secured Party within (ninety) 90 days after the end of each of Debtor's fiscal years and to furnish its quarterly uncertified statement to Secured Party within (thirty) 30 days after the end of each of its fiscal quarters.

(m) The proceeds of the loan constituting Indebtedness hereby secured are being and shall be used to purchase the Collateral and accordingly the security interest hereby granted is a first and superior purchase money security interest.

3. To further partially secure the Indebtedness hereby secured, Debtor hereby assigns, sets over and grants to Secured Party a security interest in and to each and every lease or sublease, howsoever designated, covering all or any part of the Collateral, now and hereafter existing, and all rentals and amounts payable thereunder. Upon default or breach by Debtor of this Agreement, Secured Party, in addition to any and all other rights hereunder or in law, may upon notice to lessees or sublessees obtain and retain all rentals thereafter due, paid and/or payable. The foregoing shall not be construed as Secured Party's consent to such leasing or be deemed a waiver of the provisions of paragraph 2(d) above.

4. If any one of the following events (each of which is herein called an "Event of Default") shall occur: (a) Debtor shall default in the payment, when due, of any Indebtedness of Debtor to Secured Party, or (b) any warranty or representation of Debtor shall have been or shall be untrue or inaccurate or Debtor shall be in breach or default of any warranty or representation hereunder, or (c) Debtor shall breach or be in default in the performance of any other agreement or covenant hereunder, or (d) Debtor or any guarantor of any part of the Indebtedness becomes insolvent, makes an assignment for the benefit of creditors or ceases to continue as a going business, or (e) a receiver, trustee, conservator or liquidator of Debtor or of any guarantor of any part of the Indebtedness, or of all or a substantial part of any of their respective assets, is appointed with or without the approval or consent of Debtor or guarantor, as the case may be, or (f) a petition is filed by or against Debtor or any guarantor of any part of the Indebtedness under the Bankruptcy Act or any amendment thereto (including, without limitation, a petition for reorganization, arrangement or extension) or under any other insolvency law or laws providing for the relief of debtors, or (g) in the reasonable opinion of the Secured Party the value of the Collateral shall be substantially reduced or the Secured Party shall consider that the prospect of full performance and satisfaction by the Debtor of its Indebtedness hereby secured is imperiled, then, and in any such event, Secured Party shall have the right to exercise any one or more of the remedies hereinafter provided.

5. If an Event of Default shall occur, Secured Party may, at its option, at any time (a) declare the entire unpaid Indebtedness hereby secured to be immediately due and payable; and (b) without demand or legal process, enter into the premises where the Collateral may be found and take possession of and remove the Equipment; and (c) require Debtor to assemble the Collateral, render it unuseable, and crate, pack, ship and deliver the Collateral to Secured Party in such manner and at such place as Secured Party may require, all at Debtor's sole cost and expense. Secured Party may, at its option, ship, store and repair Collateral so removed and sell any or all of it at a public or private sale or sales. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made, if being understood and agreed that Secured Party may be a buyer at any such sale and Debtor may not, either directly or indirectly, be a buyer at any such sale. The requirement, if any, for reasonable notice will be met if such notice is mailed postage prepaid, to Debtor at its address shown above, at least three (3) days before the time of sale or disposition. Debtor

shall also be liable for and shall upon demand pay to Secured Party all expenses incurred by Secured Party in connection with the undertaking or enforcement by Secured Party of any of its rights or remedies hereunder or in law, including, but not limited to, all expenses of repossessing, storing, shipping, repairing, selling or otherwise disposing of the Collateral and legal expenses, including attorney's fees of 20 per cent (if permitted by law, but if prohibited by law such lesser sum as may be permitted) of the total of Debtor's outstanding unpaid Indebtedness hereby secured, all of which costs and expenses shall be so much additional Indebtedness hereby secured.

6. All remedies of Secured Party hereunder are cumulative, are in addition to any other remedies provided for by law or in equity and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of Secured Party to exercise, and no delay in exercising any right or remedy shall operate as a waiver thereof or in any way modify or be deemed to modify the terms of this Agreement or any Indebtedness hereby secured, nor shall any single or partial exercise by Secured Party of any right or remedy preclude any other or further exercise of the same or any other right or remedy.

7. The Secured Party may transfer or assign this Agreement and any note or Indebtedness hereby secured either together or separately without releasing Debtor, the Collateral or any guarantor, and upon such assignment, negotiation or transfer the assignee or holder shall be entitled to all the rights, powers, privileges and remedies of the Secured Party to the extent assigned or transferred. The obligations of Debtor shall not be subject, as against any such assignee or transferee, to any defense, set-off or counterclaim available to Debtor against Secured Party and any such defense, set-off or counter-claim may be asserted only against Secured Party.

8. Time and manner of performance by Debtor of its duties and obligations under this Agreement and/or any Indebtedness hereby secured is of the essence. If Debtor shall fail to comply with any provisions of this Agreement to be performed by Debtor, Secured Party shall have the right, but shall not be obligated, to effect such compliance and performance, in whole or in part, and all moneys spent and expenses and obligations incurred or assumed by Secured Party in effecting such compliance shall be paid by Debtor upon demand and shall be so much additional Indebtedness hereby secured. The effecting by Secured Party of such compliance shall not be a waiver of Debtor's default. Any moneys so expended or obligations incurred shall bear, and Debtor shall pay, interest thereon at the rate of 12 per cent per annum but not to exceed the maximum lawful rate of interest. Debtor agrees to execute any instrument or instruments necessary or expedient for filing, recording, perfecting or notifying of Secured Party's interest in the Collateral upon request of, and as determined by, Secured Party, and Debtor hereby specifically authorizes Secured Party to file Financing Statements and to execute same for and on behalf of Debtor as Debtor's attorney-in-fact, irrevocably and coupled with an interest, for such purposes. Any notice by Secured Party to Debtor shall be deemed sufficiently and properly made by depositing such notice in the United States mail, first class postage prepaid, addressed to the Debtor at its address set forth above. All notices required or otherwise given by Debtor to Secured Party shall be deemed adequately and properly given if sent by registered or certified mail to Secured Party at the address of Secured Party stated herein or at such other address as Secured Party may from time to time designate to Debtor in writing.

9. Debtor waives all rights to trial by jury in any litigation arising herefrom or in relation hereto. This Agreement may not be altered, modified or terminated in any manner except by a writing duly signed by the parties hereto. Debtor and Secured Party intend this Agreement to be valid and binding and no provisions hereof which may be deemed unenforceable shall in any way invalidate any other provisions of this Agreement, all of which shall remain in full force and effect. This Agreement shall be binding upon the respective successors, legal representatives and assigns of the parties. The terms, warranties and agreements herein contained shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form and the singular shall include the plural. If there be more than one Debtor the warranties, representations and agreements herein are joint and several. The Schedule on the next page is a part hereof.

IN WITNESS WHEREOF, the Secured Party and Debtor have each signed this Security Agreement the day and year first above written.

INTERNATIONAL PAPER CREDIT CORPORATION,
Secured Party

Mid-West Mud Company, Inc.

(Typed name of Debtor if not an individual; Signature of Debtor if individual)

By: _____

A. J. DeWall

(Typed name of Debtor if not an individual; Signature of Debtor if individual)

By: _____

Subscribed and sworn to before me, this
8th day of December, 1978.

Augustine Love

Title: _____

Chairman

My Commission Expires Aug. 16, 1981

Witness/Attest: _____

Sharon S. Y. H. S.

(Complete Schedule on next page)

SCHEDULE

Description of Collateral (Full description including make, model and serial number):

3 - new 2785 cubic foot pressure differential hopper cars, MWMX 102,103,104

Place where Collateral is to be kept:

822 S. Jackson Street, Chickasha, Oklahoma 73018

Other liens, encumbrances or security interests to which Collateral is subject, if any.

If Collateral is attached or to be attached to real estate, set forth:

Address of Real Estate (Including County, block number, lot number, etc.):

Record Owner of Real Estate (Name and Address):

If the real estate at which the Collateral is to be kept is leased:

Name and Address of Lessor of Real Estate:

