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ATTORNEYS

2500 EXXON BUILDING

HOUSTON, TEXAS 77002

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WASHINGTON, D. C. 20006  
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CABLE: ANKUR HOU

TELEX: 79-1208

December 28, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Interstate Commerce Commission  
12th and Constitution Avenue, N. W.  
Room 1227  
Washington, D. C. 20423

Attention: Ms. Mildred Lee

Re: Security Agreement Filings for  
CRUTCHER TANK CAR COMPANY/TEXAS  
AMERICAN BANK DALLAS NORTH

Dear Ms. Lee:

Enclosed please find two duly executed Security Agreements from Crutcher Tank Car Company in favor of Texas American Bank Dallas North and covering the collateral therein referenced.

Please record one of said copies in the appropriate records of your office and return the other, with recording information placed thereon, to the undersigned. Our firm check in the amount of \$50.00 is enclosed to cover the costs of such action.

Thank you for your assistance in this connection. If you have need of any further information or fees in this regard, please contact the undersigned at your earliest convenience.

Very truly yours,



Thomas J. Perich

RECORDED  
JAN 3 1979

INDEXED  
JAN 3 1979

FILED

ICC Washington, D. C. 999C  
RECORDATION NO. .... Filed 1425  
JAN 3 1979 - 3 02 PM  
INTERSTATE COMMERCE COMMISSION

139:chc

Enclosures

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

12/5/79

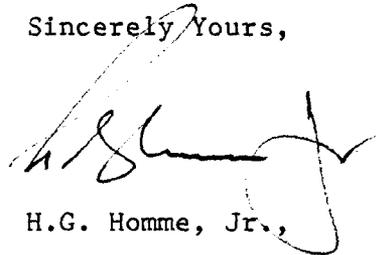
OFFICE OF THE SECRETARY

Thomas J. Perich  
Andrews, Kurth, Campbell & Jones  
2500 EXXON Building  
Houston, Texas 77002

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 1/3/79 at 3:30pm , and assigned recordation number(s) 9996

Sincerely Yours,



H.G. Homme, Jr.,  
Secretary

Enclosure(s)

SE-30-T  
(2/78)

TEXAS AMERICAN BANK DALLAS NORTH — Dallas, Texas  
SECURITY AGREEMENT

Date: SEPTEMBER 28, 1978

THIS SECURITY AGREEMENT made and entered into by and between TEXAS AMERICAN BANK DALLAS NORTH, Harry Hines at Morningbird, P. O. Box 35207, Dallas, Texas 75235 ("Bank")

and CRUTCHER TANK CAR COMPANY ("Debtor")

of P. O. Box 982

Houston, Texas 77001

(Residence Address — street, county, state; if mailing address different, insert both addresses)

as follows:

1. **Indebtedness.** The Security Interest (defined below) is herein created to secure all obligations and indebtedness to Bank, direct or indirect, now existing or hereafter arising, of whatsoever kind or character, whenever or however created or incurred, of Debtor and/or

N/A

(Name)

(Mailing Address)

(collectively, the "Indebtedness").

2. **Agreement and Collateral.** For value received, Debtor hereby grants to Bank a security interest ("Security Interest") in the following described property, together with the additional property described in paragraph 3.F. hereof ("Collateral"), to-wit:

Fifty (50) 23,500 gallon, nominal capacity Richmond Tank Car Company tank cars, DOT No. 111A100W1; non-coiled, insulated and lined; 100-ton roller bearing trucks; bearing the numbers GLNX 23500 through GLNX 23549, inclusive.

That certain Lease Agreement dated May 3, 1977, and amendment dated March 14, 1977, between Debtor as Lessor and Glenco Transportation Services as Lessee, covering the above described tank cars.

RECORDATION NO. 9996 Filed, 1979

JAN 8 1979 - 3 30 PM

INTERSTATE COMMERCE COMMISSION

(If Collateral is now or hereafter to become fixtures, crops, oil, gas or other minerals, or timber, describe land concerned and record owner thereof.)

The Collateral is (mark the blank(s) preceding all statements applicable to this Agreement).

goods to be used for personal, family or household purposes (consumer goods).

inventory and lease agreements covering same

goods to be used primarily in business operations (equipment) other than farming.

equipment used in farming operations, or farm products or accounts thereof.

accounts and the records of Collateral are kept at \_\_\_\_\_

being acquired by or for Debtor with the proceeds advanced by Bank.

to be kept at: under lease to Glenco Transportation Services

(full address, if other than above)

or will become fixtures.

3. **Debtor's Warranties, Covenants and Further Agreements.**

A. **Title.** Except for the Security Interest, Debtor has, or on acquisition will have, fee simple title to the Collateral free from any lien security interest, encumbrance, or claim (except liens for current taxes not due) and Debtor will, during the term of this Agreement, at Debtor's cost, keep the Collateral free from other liens, security interests, encumbrances or claims, and defend any action which may affect the Security Interest or Debtor's title to the Collateral. This Agreement and any account, instrument or document which is or shall be, included in the Collateral is, and shall be, genuine and legally enforceable and free from any set off, counterclaim or defense. No notice of bankruptcy or insolvency of an account debtor has been received by Debtor.

B. **Financing Statement.** No financing statement covering the Collateral or any part or proceeds thereof is on file in any public office and at Bank's request, Debtor will join in executing all financing statements and other instruments deemed necessary by Bank to perfect the Security Interest and to assist Bank in complying with Federal Assignment of Claims Act and will pay all costs thereof.

C. **Assignment.** Notwithstanding any other provision hereof, Debtor will not process, sell, lease, or otherwise dispose of all or part of the Collateral, except inventory, identified as such herein in the ordinary course of business. Bank may assign or transfer all or part of its rights in, and obligations, if any, under the Indebtedness, the Collateral and this Agreement.

D. **Insurance.** Debtor will insure the Collateral with companies acceptable to Bank against such casualties and in such amounts as Bank shall require with a clause in favor of Debtor and Bank as their interests may appear, and Bank is hereby authorized to collect sums which may become due under any of said policies and apply same to the Indebtedness. All policies of insurance shall provide to written notice to Bank at least ten (10) days prior to cancellation. Risk of loss not covered by insurance is in Debtor.

E. **Maintenance.** Debtor will preserve the Collateral, keep in good order and repair (at Debtor's own risk of loss), and will not waste, destroy, lose, allow to deteriorate (other than ordinary wear and tear), or materially modify the Collateral, or release any party liable thereon. Debtor will not exercise, or cause to be exercised, any voting rights with regard to the Collateral, without the prior written consent of Bank, if the direct or indirect effect of such vote results in a material change to the Collateral or the corporation, partnership, other entity or property in which the Collateral evidences a legal or beneficial interest. Debtor will not allow the Collateral to be used in violation of any statute or ordinance. Bank, or its agents, will have the right to examine, audit, inspect and copy, as the case may be, the Collateral and any books or records pertaining thereto (which Debtor agrees to keep in an accurate and complete form reflecting the assignment, if any, of accounts hereunder) at any time. Debtor shall furnish reports, data and financial statements including audits by independent public accountants, in respect of the Collateral and Debtor's business and financial condition, as Bank may require. Debtor will pay promptly when due all taxes and assessments on the Collateral or for its use and operation and all costs, expenses and insurance premiums necessary to preserve, protect, maintain and collect the Collateral. Bank may, at its option, discharge such costs, expenses, and premiums for the repair, maintenance, and preservation of the Collateral, and all sums so expended shall be part of the Indebtedness.

F. **Additional Property.** The Collateral includes all proceeds, increases, substitutions, products, offspring, accessories and attachment thereof including, without limitation, all securities, subscription rights, dividends, or other property or benefits which Debtor is entitled to receive on account of the Collateral; equipment, tools, parts and accessories used in connection therewith; and goods covered by chattel paper, accounts or other items of the Collateral. The Collateral also includes all money or property of Debtor in Bank's possession, held for, or owed to Debtor; Bank being granted herein the right to set off such money and property against the Indebtedness. If livestock is included, the Collateral also covers Debtor's related feed, water privileges, equipment used in feeding and handling the livestock, and rights in contracts and leases on lands used for pasture and grazing purposes. For purposes of this Agreement, the references to the terms "account" or "accounts" shall be deemed to include chattel paper as well as accounts, when applicable. Debtor will immediately deliver all additional property to Bank upon receipt by Debtor, with proper instruments of transfer and assignment, if possession by Bank is necessary to perfect Bank's security interest or if otherwise required pursuant to this Agreement. The Collateral does not include any additional or after-acquired property that is consumer goods, except accessions and property acquired within ten days after Bank has given value.

G. **Change of Location.** Debtor covenants and agrees that with Bank's prior written consent, Debtor will not change the location (as shown hereon) of the Collateral (other than inventory in the course of business) or the records pertaining to the Collateral.

**H. Delivery of Receipts to Bank.** Upon Bank's demand, Debtor will, upon receipt of any remittance in payment of or for the Collateral, immediately deposit all of same properly endorsed in a special bank account maintained with Bank over which Bank alone has power of withdrawal. The funds in said bank account shall be held by Bank as security for the Indebtedness. Bank may, from time to time, apply all or part of said collected funds against the Indebtedness. Debtor will inform Bank immediately of the rejection of goods, delay in delivery or performance, or claims made, in regard to any account assigned to Bank; keep returned goods segregated from Debtor's other property, and hold such goods as trustee for Bank; and pay Bank the unpaid portion of any assigned account (1) if such account is not paid promptly after its maturity; (2) if purchaser does not accept the goods or services; or (3) if Bank shall at any time reject the account as unsatisfactory.

**I. Disposition of Inventory.** At any time the disposition of inventory assigned hereunder gives rise to an account or other proceeds, Debtor shall immediately notify Bank of said disposition and assign said proceeds to Bank. The amount shown as to each account in Debtor's books will be the true and undisputed amount owing and unpaid thereon.

**J. Notice of Changes.** Debtor will immediately notify Bank of any change occurring in or to the Collateral, of a change in Debtor's residence, or in any fact or circumstance warranted or represented by Debtor to Bank, or if any event of default occurs.

**4. Rights of Bank.** Debtor hereby appoints Bank as Debtor's attorney-in-fact to do any act which Debtor is obligated by this Agreement to do to exercise all rights, voting and otherwise, of Debtor in the Collateral, and to do all things deemed necessary by Bank to perfect the Security Interest and preserve, collect, enforce and protect the Collateral and any insurance proceeds hereunder, all at Debtor's cost and without any obligation on Bank so to act, including, but not limited to transferring title into the name of Bank, or its nominee, or recipient, for, settling, or otherwise realizing upon the Collateral. Bank may, in its discretion, require Debtor to give possession, or control of the Collateral to Bank; endorse as Debtor's agent any instruments, documents, or accounts in the Collateral, contact account debtors directly to verify or collect accounts; take control of the Collateral or proceeds thereof, including, among others, stock or cash dividends or stock splits, and use cash proceeds to reduce any part of the Indebtedness; require Debtor to use its best efforts to cause the issuer of the Collateral to register any or all of the Collateral under applicable securities laws, at the expense of Debtor or such issuer; require additional Collateral; reject as unsatisfactory any property hereafter offered by Debtor as Collateral; designate, from time to time, a certain percent of the Collateral as the loan value and require Debtor to maintain the Indebtedness at or below such figure. Bank shall not be liable for any act or omission on the part of Bank, its officers, agents, or employees, except willful misconduct, nor shall Bank be responsible for depreciation in value of the Collateral or for preservation of rights against prior parties. The foregoing rights and powers of Bank may be exercised before or after default and shall be in addition to, and not a limitation upon, any rights and powers of Bank given herein or by law, custom, or otherwise.

**5. Events of Default.** Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions:

- A.** Default in the timely payment or performance of any obligation, covenant or agreement contained herein, secured hereby or otherwise made or owed to Bank;
- B.** Any warranty, representation or statement made to Bank by or in behalf of Debtor proves to have been false in any material respect when made;
- C.** Any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking;
- D.** Substantial change in any fact warranted or represented in this Agreement;
- E.** Sale, loss, theft, destruction, encumbrance, or unauthorized transfer of any Collateral, or substantial damage thereto;
- F.** Any time Bank believes that the prospect of payment of all or part of the indebtedness or performance of this Agreement is impaired;
- G.** On Debtor's death, incapacity, dissolution, merger or consolidation, termination of existence, insolvency, business failure, appointment of a receiver for any part of the Collateral, commission of an act of bankruptcy, assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Debtor or any entity of which Debtor is a partner or principal or any maker, guarantor, or other person liable upon or for any Indebtedness or Collateral.
- H.** Modification of any account which constitutes part of the Collateral;
- I.** Levy on, seizure, or attachment of all or part of the Collateral;
- J.** Judgment against Debtor which remains unpaid for thirty (30) days.

For the purposes of this paragraph 5, the term "Debtor" shall be defined to include both the Debtor and the person(s) named in paragraph 1 above.

**6. Remedies of Bank upon Default.** When an event of default occurs, and at any time thereafter, Bank may declare all or a part of the indebtedness immediately due and payable and may proceed to enforce payment of same and to exercise any and all of the rights and remedies provided by the Uniform Commercial Code ("Code") as well as all other rights and remedies possessed by Bank under this Agreement or otherwise at law or in equity. Debtor understands that sales of the Collateral hereunder may be restricted by securities laws and the private sales of the Collateral or sales in other transactions exempt from registration may be necessary, which sales Debtor recognizes as commercially reasonable. Bank may require Debtor to assemble the Collateral and make it available to Bank at any place to be designated by Bank which is reasonably convenient to both parties. For purposes of the notice requirements of the Code, Bank and Debtor agree that the notice given at least five (5) days prior to the related action hereunder is reasonable. Bank shall be entitled to immediate possession of the Collateral and all books and records evidencing same and shall have authority to enter upon any premises upon which said items may be situated and remove same therefrom. Expenses of retaking, holding, preparing for sale, selling, or the like, shall include, without limitation, Bank's reasonable attorney's fees and all such expenses shall be recovered by Bank before applying the proceeds from the disposition of the Collateral toward the Indebtedness. To the extent allowed by the Code, Bank may use its discretion in applying the proceeds of any disposition of the Collateral and Debtor will remain liable for any deficiency remaining after such disposition. All rights and remedies of Bank hereunder are cumulative and may be exercised singly or concurrently. The exercise of any right or remedy will not be a waiver of any other.

**7. General.**

- A. Waiver by Bank.** No waiver by Bank of any right hereunder or of any default by Debtor shall be binding upon Bank unless in writing. Failure or delay by Bank to exercise any right hereunder or waiver of any default of Debtor shall not operate as a waiver of any other right, of further exercise of such right, or of any further default.
- B. Parties Bound.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, receivers, trustees and assigns where permitted by this Agreement. All representations and warranties and agreements of Debtor are joint and several if Debtor is more than one. This Agreement shall constitute a continuing agreement, applying to all future as well as existing transactions, such future transactions being contemplated by Debtor and Bank.
- C. Texas Law to Apply.** This Agreement shall be construed in accordance with the Code (the definitions of which apply herein) and other applicable laws of the State of Texas and any proceeding hereunder shall be in Dallas County, Texas.
- D. Notice.** Notice shall be given or sent when mailed postage prepaid to Debtor's address given above or to Debtor's most recent address as shown by notice of change on file with Bank.
- E. Modifications.** This Agreement shall not be amended in any way except by a written agreement signed by the parties hereto.
- F. Severability.** The unenforceability of any provision of this Agreement shall not affect the enforceability or validity of any other provision hereof.
- G. Construction.** If there is any conflict between the provisions hereof and the provisions of the Indebtedness, the latter shall control. The captions herein are for convenience of reference only and not for definition or interpretation.
- H. Waiver of Debtor.** Debtor hereby waives presentment, demand, notice of dishonor, protest, and notice of protest, and all other notices with respect to collection, or acceleration of maturity, of the Collateral and Indebtedness.
- I. Additional Terms:** All annexes and schedules attached hereto, if any, are hereby made a part hereof.

**SECURED PARTY:** \_\_\_\_\_ **DEBTOR:** \_\_\_\_\_

**TEXAS AMERICAN BANK DALLAS NORTH** **CRUTCHER TANK CAR COMPANY**

By: \_\_\_\_\_ By: *Wm. B. Hogan Jr.* \_\_\_\_\_

(Name) (Name)

By: \_\_\_\_\_ By: \_\_\_\_\_

(Title) (Title)

STATE OF TEXAS X

COUNTY OF HARRIS X

BEFORE ME, the undersigned authority, on this day personally appeared Wm. G. HOGUE, JR., Secretary of CRUTCHER TANK CAR COMPANY, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said Corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 27<sup>th</sup> day of September, 1978.

*Carol Tubbs*

Notary Public in and for  
Harris County, Texas

CAROL TUBBS  
Notary Public in and for Harris County, Texas  
My Commission Expires February 5, 1978<sup>80</sup>