

EL PASO NATIONAL BANK



EL PASO, TEXAS

RECORDATION NO. 8419

JUL 26 1976 2 40 PM July 9, 1976

INTERSTATE COMMERCE COMMISSION

6-23-1976
JUL 26 1976
50
Washington, D. C.

RECEIVED
JUL 28 2 38 PM '76
CERTIFICATION UNIT

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

In connection with the enclosed Equipment Security Agreement, please be advised that such security agreement constitutes a mortgage upon the rolling stock described therein, and the mortgagee, El Paso National Bank, submits the following information pursuant to 49 C.F.R. §1116.1 et seq.

Mortgagor: Pan American Liquid Services, Inc.
P. O. Box 1935
El Paso, Texas 79950

Mortgagee: El Paso National Bank
P. O. Drawer 140
El Paso, Texas 79980

Guarantors: Manuel De Reyes
749 Londonberry Road
El Paso, Texas

R. A. Ragland
5705 Pebble Beach Drive
El Paso, Texas

Desert Air, Oil & Gas Co.
264 Nevarez Road
El Paso, Texas

Type of Equipment: 17 Welded Tank Cars ICC 112-A-340 W
(33,500 gal.)

Identifying Marks: Only Reporting marks set out below.

Road or Serial No.: Prior Numbers: New Numbers:

UTLX 81403	PALX 707
UTLX 81404	PALX 717
UTLX 81405	PALX 727
UTLX 81406	PALX 737

17 Welded Tank Cars

C. Amador: John B. Horrold

Secretary, Interstate
Commerce Commission
July 16, 1976
Page 2

Prior Numbers:

New Numbers:

UTLX 81407	PALX 747
UTLX 81408	PALX 757
UTLX 81409	PALX 767
UTLX 99139	PALX 770
UTLX 99140	PALX 771
UTLX 99142	PALX 772
UTLX 99143	PALX 773
UTLX 99145	PALX 774
UTLX 99146	PALX 775
UTLX 99147	PALX 776
UTLX 99343	PALX 777
UTLX 99344	PALX 778
UTLX 99346	PALX 779

Included in the property covered by the aforesaid mortgage, are railroad cars, locomotives and other rolling stock used or intended for use in connection with interstate commerce, or interest therein owned by Pan American Liquid Services, Inc. at the date of said mortgage or thereafter acquired by it or its successors as owners of the lines of railway covered by said mortgage.

Yours very truly,



Milton A. Duran
Assistant Vice President

MAD/11
Encls.

Interstate Commerce Commission
Washington, D.C. 20423

7/26/76

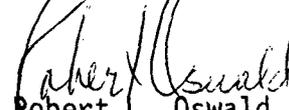
OFFICE OF THE SECRETARY

Milton A. Duran
• Assistant Vice President
El Paso National Bank
El Paso, Texas

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 **7/26/76**
at **2:40pm**, and assigned recordation number **8419**

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure

SE-39
(2/75)

EL PASO NATIONAL BANK

EL PASO, TEXAS



0419

RECORDATION NO. Recorded

SECURITY AGREEMENT - EQUIPMENT AND CONSUMER GOODS

JUL 26 1970 2 42 PM

PAN AMERICAN LIQUID SERVICES, INC. INTERSTATE COMMERCE COMMISSION

(Name)

who warrants that his chief executive office or (if he has no place of business) his residence is

P.O. Box 1935 El Paso El Paso Texas 79950
(No. and Street) (City) (County) (State) (Zip Code)

hereinafter called "Debtor," and El Paso National Bank, 201 E. Main Drive, El Paso, El Paso County, Texas, hereinafter called "Secured Party," agree as follows:

SECTION I. Creation of Security Interest.

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section II of this Security Agreement to secure performance and payment of all obligations and indebtedness of Debtor to Secured Party of whatever kind and whenever or however created or incurred.

SECTION II. Collateral.

The Collateral of this Security Agreement is of the following description:

17 Welded Tank Cars bearing the following reporting marks:

- | | |
|------------|------------|
| UTLX 81403 | UTLX 99142 |
| UTLX 81404 | UTLX 99143 |
| UTLX 81405 | UTLX 99145 |
| UTLX 81406 | UTLX 99146 |
| UTLX 81407 | UTLX 99147 |
| UTLX 81408 | UTLX 99343 |
| UTLX 81409 | UTLX 99344 |
| UTLX 99139 | UTLX 99346 |
| UTLX 99140 | |

now owned or hereafter acquired by Debtor, and all additions and accessions thereto, and proceeds thereof. The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized by this Agreement.

SECTION III. Payment Obligations of Debtor.

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due pursuant to any promissory note or notes now or hereafter executed by Debtor to evidence Debtor's indebtedness to Secured Party, in accordance with the terms of such promissory note or notes and the terms of this Security Agreement.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the rate of ten percent (10%) per annum.

(3) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

SECTION IV. Debtor's Representations, Warranties and Agreements.

Debtor represents, warrants and agrees that:

(1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

(2) No Financing Statement covering the Collateral or its proceeds is on file in any public office; except for the security interest granted in this Security Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) Debtor will immediately notify Secured Party in writing of any change of Debtor's chief executive office or (if he has no place of business) his place of residence.

(4) If certificates of title are issued or outstanding with respect to any of the Collateral, Debtor will cause the interest of Secured Party to be properly noted thereon.

(5) If the Collateral is to be wholly or partly affixed to real estate or other goods, a description of the real estate or other goods is as follows:

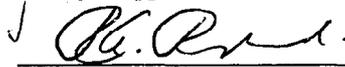
and the name of the record owner of such real estate or other goods is _____
If the Collateral is wholly or partly affixed to real estate or installed in or affixed on other goods, Debtor will, on demand of Secured Party, furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real

estate or other goods, of any interest in the Collateral which is prior to Secured Party's interest. Unless the blank spaces in this paragraph are filled in when this Security Agreement is executed, the Collateral will not be affixed to any real estate or other goods so as to become fixtures on such real estate or accessions to other goods.

(6) The Collateral will be used primarily for:

- (a) Personal, family or household purposes;
- (b) Farming operations;
- (c) Business use, unless Secured Party consents in writing to another use;

(d) And, in addition, is being acquired with the proceeds of the note of Debtor to Secured Party, which Secured Party may disburse directly to the Seller of the Collateral. (Strike any inapplicable statement)



Debtor Signs Here

(7) The Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss and be kept at

(No. and Street)

(City)

(County)

(State)

where Secured Party may inspect it at any time. Except for its temporary removal in connection with its ordinary use, Debtor shall not remove the Collateral from the above address without obtaining prior written consent from Secured Party.

(8) The Collateral will not be misused nor abused, wasted nor allowed to deteriorate, except for the ordinary wear and tear of its intended primary use, and will not be used in violation of any statute or ordinance.

(9) Debtor shall pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and, upon Debtor's failure to do so, Secured Party at its option may pay any of them and shall be the sole judge of the legality or validity thereof and of the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this Security Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the rate of ten percent (10%) per annum.

(10) Debtor will have and maintain insurance at all times with respect to all Collateral against risks of fire, theft and such other risks as Secured Party may require, including standard extended coverage, and in the case of motor vehicles, including collision coverage. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten days' written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not.

(11) The Collateral will not be sold, transferred nor disposed of by Debtor nor be subjected to any unpaid charge, including rent and taxes, nor to any subsequent interest of a third person created or suffered by Debtor voluntarily or involuntarily, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge or subsequent interest.

(12) Debtor will sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons.

(13) Debtor will, at his own expense, do, make, procure, execute and deliver all acts, things, writings and assurances as Secured Party may at any time request to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(14) Debtor will not lend, rent, lease nor otherwise dispose of the Collateral nor any interest therein except as authorized in this Security Agreement or in writing by Security Party, and Debtor shall keep the Collateral, including the proceeds from any disposition thereof, free from unpaid charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party.

(15) 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 security may be oral or by telegram or by United States mail addressed to the address of Debtor shown at the beginning of this Agreement.

SECTION V. Events of Default.

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

(1) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note secured hereby.

(3) Any warranty, representation or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any respect when made or furnished.

(4) Loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral or the making of any levy, seizure or attachment thereof or thereon.

(5) Debtor's death, dissolution, termination of existence, insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors of Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for Debtor.

(6) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to Secured Party submitted to Secured Party by Debtor or any such guarantor, surety or endorser proves to be false.

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

(8) Any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party.

SECTION VI. Secured Party's Rights and Remedies.

A. Rights Exclusive of 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 claims or defenses he may have against Secured Party against the Assignee, except those granted in this Security Agreement.

(2) Secured Party may enter upon Debtor's premises at any reasonable time to inspect the Collateral and Debtor's books and records pertaining to the Collateral, and Debtor shall assist Secured Party in making any such inspection.

(3) 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, applications 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.

(4) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made or expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the rate of ten percent (10%) per annum.

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 the rights and remedies of a Secured Party under the Texas Uniform Commercial Code,

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 (and, for a reasonable time, in order to protect Collateral from loss, assume dominion and control over) 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, threatens to decline speedily in value, is of a type customarily sold on a recognized market or unless Debtor has, after default, signed a statement renouncing Debtor's right to notification of sale, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof (at which the Secured Party may become purchaser of all or any part of the Collateral) 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 sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, plus interest thereon at the rate of ten percent (10%) per annum. Debtor shall remain liable for any deficiency.

(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 Secured Party.

SECTION VII. Additional Agreements.

(1) 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.

(2) If more than one person execute this instrument as Debtor, their obligations under this instrument shall be joint and several.

(3) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(4) Should any provision of this Agreement be rendered or declared invalid by reason of any applicable existing or subsequently enacted legislation or by reason of any decree of a court of competent jurisdiction, such part or parts of this Agreement shall not invalidate the remaining portion hereof and said remaining portion shall remain in full force and effect; provided, however, that Secured Party may, at its option, treat such invalidation as an Event of Default.

(5) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument.

EXECUTED this 16th day of July 19 76.

EL PASO NATIONAL BANK - SECURED PARTY

By: *J. Duran*
Asst. V-P

PAN AMERICAN LIQUID SERVICES, INC.

By: *R. A. Ragland*
R. A. Ragland, Executive
Vice President

Debtor

THE STATE OF TEXAS)

COUNTY OF EL PASO .)

ACKNOWLEDGMENT

On this 16th day of July, 1976, before me personally appeared R. A. Ragland, to me personally known, who is being by me duly sworn, says that he is the Executive vice president of Pan American Liquid Services, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Margaret Bilott
NOTARY PUBLIC in and for
El Paso County, Texas

My commission expires:

MARGARET BILOTT, Notary Public
In and for El Paso County, Texas
My commission expires JUNO 1, 1977