

PARK CITIES BANK

Preston Road at Mockingbird Lane

12994

REGISTRATION NO. 12994

DARRELL W. WOOTTON
EXECUTIVE VICE PRESIDENT

MAR 23 1981 12 53 PM

INTERSTATE COMMERCE COMMISSION

1-082A118

February 27, 1981

Secretary of the Interstate Commerce Commission
12th & Constitution Northwest
Washington, D.C. 20423
Attention: Mrs. Lee

MAR 23 1981
D.C.
Fee \$ 50.00
ICCC

Re: Recordation of Security Agreement

Dear Mrs. Lee:

Pursuant to Part 1116 of the Code of Federal Regulations, 49 C.F.R. Part 1116 et seq., enclosed herewith are the following:

- (a) The original and one (1) copy of a Security Agreement (herein so called), dated February 27, 1981, between Texas E. Schramm, an individual whose address is 6116 North Central Expressway, Dallas, Texas 75206, as mortgagor ("Debtor"), and Park Cities Bank, a Texas banking corporation whose address is P.O. Box 8367, Dallas, Texas 75205, as mortgagee ("Secured Party"), each executed and acknowledged by the parties thereto; and
- (b) A check, payable to the order of the Interstate Commerce Commission, in the amount of \$50.00.

The collateral covered by the Security Agreement consists, in part, of certain railway tank cars which may be described as follows:

Three (3) 23,500 gallon nominal capacity tank cars, DOT111A100W3, exterior coiled and insulated, 100-ton roller bearing trucks,

PARK CITIES BANK

Preston Road at Mockingbird Lane

Secretary of the Interstate Commerce Commission

February 27, 1981

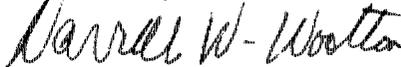
Page 2

bearing numbers RTMX 13098, RTMX 13101, and RTMX 13106,
respectively.

We hereby request that the enclosed copies of the Security Agreement be recorded and stamped with the appropriate recordation numbers and the date and hour of recordation, and that the original copy of the Security Agreement then be returned to me in the enclosed stamped, self-addressed envelope. Should you have any questions in regard to this matter, please feel free to call me at (214) 526-8671.

Thank you for your cooperation in this matter.

Yours very truly,



Darrell W. Wootton

DWW:raw

SECURITY AGREEMENT

RECORDATION NO. 12994
MAR 23 1981 2 55 PM

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT is made and entered into as of February 27, 1981 between Texas E. Schramm, an individual whose domicile is in Dallas County, Texas ("Debtor"), and Park Cities Bank, a Texas banking corporation ("Secured Party").

W I T N E S S E T H:

1. Grant of Security Interest. Upon the terms hereof, and as of the date hereof, for value received, Debtor hereby, as collateral security for the timely and full payment and performance of the Secured Debt (as such term is hereinafter defined) pledges to, and grants to, Secured Party, a security interest in, the following (collectively, the "Collateral Security"):

(a) Any and all right, title, and interest which Debtor now has or may hereafter have under, pursuant to, or in connection with that certain Management Agreement dated as of July 7, 1978 between Debtor and Richmond Leasing Company, a Delaware corporation ("RLC") (as renewed, extended, amended, or supplemented from time to time, the "Management Agreement"), together with any and all renewals, extensions, amendments, and supplements thereto or thereof, and together with any and all leases and other agreements, documents, and instruments executed and delivered (whether by Debtor or by RLC for the account and on behalf of the Debtor) at any time, and from time to time, pursuant thereto or in connection therewith;

(b) any and all equipment and other property now owned or hereafter acquired by Debtor which now is or hereafter shall be subject to the Management Agreement, including, without limitation, all equipment which is described in Exhibit "A" attached hereto, any and all additions and accessions thereto and substitutions or replacements therefor, and any and all rights of Debtor (including, but not limited to, rights of reversion) in said equipment and other property (collectively, the "Equipment"); and

(c) any and all proceeds arising from the sale, lease or other disposition of , or from any insurance payable in respect of, or payable by virtue of claims against RLC or any third party with respect to, any and all of the Collateral Security described in (a) and (b) preceding;

provided, however, that the description of the Collateral Security contained in this Section 1 shall not be deemed to permit any action prohibited by this agreement or any other document ever executed and delivered pursuant hereto or in connection with the Secured Debt.

2. Assignment of Management Agreement. As further security for the timely and full payment and performance of the Secured Debt, Debtor hereby assigns, transfers, and sets over to Secured Party, all of Debtor's right, title and interest in, to, and under the Management Agreement, including, but not limited to:

(a) All payments due and to become due under the Management Agreement, whether as rents, contractual obligations, damages or otherwise;

(b) all claims, rights, powers, privileges, and remedies of Debtor under the Management agreement;

(c) any and all rights of Debtor (including, but not limited to, rights of reversion) in and to the Equipment; and

(d) all rights of Debtor under the Management Agreement to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver of approval;

together with full power and authority to demand, receive, enforce, collect, or receipt for any and all of the foregoing, to endorse or execute any checks or other instruments or orders, to file any claims, and to perform services under any maintenance agreement of Debtor related to the Management Agreement, all in the name of Debtor or otherwise, and to take any action which Secured Party may deem necessary or advisable in connection with any of the foregoing. Contemporaneously with its execution hereof, Debtor is delivering a fully executed original counterpart of the Management Agreement to Secured Party.

The assignment under this Section 2 is made only as security, and, therefore, the execution and delivery of this Security Agreement shall not subject Secured Party to, or transfer, or in any way affect or modify, the liabilities, obligations and duties of Debtor under, the Management Agreement, it being understood and agreed that notwithstanding such assignment, or any subsequent assignment, all liabilities, obligations, and duties of Debtor to RLC under the Management Agreement shall remain enforceable by RLC and its successors, executors, administrators, and assigns, against, and only against, Debtor. Debtor shall, and does hereby agree to, indemnify Secured Party for, and hold Secured Party harmless of and from, any and all liability, loss, or damage which it may incur under the Management Agreement or under or by reason of this Security Agreement, and any and all claims or demands which may be asserted against it by reason of any alleged obligations or undertakings on the part of Secured Party to perform or discharge any of the terms, covenants, or agreements contained in the Management Agreement.

3. Secured Debt. As used herein, the term "Secured Debt" means (a) all amounts now or hereafter owing under any of the Loan Papers; (b) all future advances or other value at any time hereafter made or given by Secured Party to Debtor, whether or not the advances or value are given pursuant to commitment; (c) all expenditures made by Secured Party pursuant to the terms of this Security Agreement, including, but not limited to, expenditures for the payment of insurance premiums and taxes pursuant hereto; (d) advances made by Secured Party to purchase any note or indebtedness secured by security interests or rights in any of the Collateral Security; (e) expenses, including, but not limited to, court costs and attorneys' fees, incurred by Secured Party in enforcing its rights under this Security Agreement or any other Loan Papers; and (f) any and all other debts, liabilities, and duties of every kind and character of Debtor to Secured Party, whether now or hereafter existing, and regardless of whether such present or future debts, liabilities, or duties are direct or indirect, primary or secondary, joint, several, or joint and several, fixed or contingent, and regardless of whether such present or future debts, liabilities or duties may, prior to their acquisition by Secured Party, be or have been payable to, or be or have been in favor of, some other person or have been acquired by Secured Party in a transaction with one other than Debtor (it being contemplated that Secured Party may make such acquisitions from others) together with any and all renewals and extensions of such debts, liabilities and duties, or any part thereof. As used herein, the term "Loan Papers" means the Note and each other note or instrument evidencing any or all of the Secured Debt, this Security Agreement, and any notes, guarantees, security agreements, mortgages, deeds of trust, pledge agreements, financing statements, assignments, and other documents heretofore or hereafter delivered pursuant to or in

connection with the Secured Debt or this Security Agreement; and the term "Note" means a certain Promissory Note dated February 27, 1981, in the stated principal amount of \$154,860.00, executed by Debtor and payable to the order of Secured Party, as the same may be renewed, extended, or replaced from time to time.

4. Release of Collateral Security. Upon full discharge and satisfaction of the Secured Debt, the pledge and the security interest granted in Section 1 and the assignment made pursuant to Section 2 shall cease and terminate and all estate, right, title and interest of Secured Party in and to the Collateral Security shall revert to Debtor and the Secured Party shall execute all such documents as may be reasonably required to evidence the foregoing.

5. Representations, Warranties, and Agreements. Debtor represents and warrants to and agrees with Secured Party that:

(a) Debtor's domicile is located in Dallas, Dallas County, Texas. Debtor will give 30 days' prior written notice to Secured Party of any proposed change in Debtor's domicile.

(b) Debtor, at its sole expense, will warrant and defend its title to the Collateral Security against the claims of all third parties, and will execute and deliver all such further instruments and take all such further action, as from time to time may be requested by Secured Party, reasonably necessary in order to assure and confirm the rights of Secured Party to all or any part of the Collateral Security, to maintain the lien or security interest created by this Security Agreement as a valid and enforceable first and prior lien and security interest, subject to no prior or equal lien, security interest, mortgage, pledge, or encumbrance, to facilitate the carrying out of this Security Agreement, and to secure the rights and remedies of Secured Party.

(c) The Management Agreement (i) has been duly authorized, executed, and delivered by Debtor and RLC, (ii) constitutes valid and binding obligations of Debtor and RLC, and (iii) is enforceable in accordance with its terms, except as the validity, binding effect, or enforcement thereof may be limited by applicable bankruptcy, insolvency, rearrangement, moratorium, reorganization, or similar debtor relief laws affecting the rights of creditors generally from time to time in effect ("Debtor Relief Laws").

(d) Neither Debtor nor RLC is in breach or default (or have committed or omitted to do any act which, with notice or lapse of time, or both, would constitute a breach or default) under the Management Agreement, and there are no, and will not be any, offsets, counterclaims, or defenses in favor of or available to RLC which would in any way diminish RLC's obligations under the Management Agreement.

(e) Exhibit "A" attached hereto contains a true and correct description of all items of Equipment on the date hereof.

(f) As to all Equipment, Debtor shall (i) use or cause to be used the Equipment with reasonable skill, care, and caution and in compliance with all applicable laws; (ii) keep or cause to be kept the Equipment in good repair, working order, and condition, and make or cause to be made all necessary repairs and replacements to that end, (iii) keep or cause to be kept the Equipment properly sheltered and prevent the same from becoming damaged in any material respect, (iv) obtain and maintain, or cause to be obtained

and maintained, at all times during the term of this Security Agreement fire and extended coverage, public liability, and property damage insurance with respect to the Equipment and its use and operation in such amounts, covering such risks, and with such insurers as is satisfactory to Secured Party, with the loss payable to Secured Party (under a standard mortgagee clause) as its interest may appear, and from time to time at the request of Secured Party furnish to Secured Party satisfactory proof that such insurance is in full force and effect, (v) allow or cause to be allowed Secured Party or its representatives to enter upon the premises where the Equipment is located for the purpose of inspecting the same and otherwise protecting the security interest granted to Secured Party in the Equipment, (vi) promptly notify Secured Party of any claim, action, or proceeding affecting title to the Equipment or any part thereof, or the validity or priority of Secured Party's security interest therein, and (vii) pay, before delinquent, all taxes, charges, assessments, and other expenses (including, but not limited to, amounts owing in respect of supplies or maintenance), which, if not paid, would result in a lien or other encumbrance on the Equipment, except that (unless and until foreclosure, distraint, sale, or other similar proceedings shall have been commenced) no such taxes, charges, assessments, or other expenses need be paid if being contested in good faith and by appropriate proceedings diligently conducted and if such reserve or other appropriate provision, if any, as shall be required by Secured Party shall have been made therefor.

(g) During the term of the Management Agreement, Debtor will perform all of its requirements and obligations contained in the Management Agreement, including, without limitation, any obligation which it may have undertaken to maintain and service the Equipment or any part thereof. In the event that any claim or cause of action arises in favor of RLC or any third party, as a direct or indirect result of the Management Agreement, Debtor shall make full and prompt performance or payment of any amount to which RLC or said third party is entitled on account thereof, and shall indemnify, defend, and hold harmless Secured Party from and against any claims or causes of action of RLC or said third party and shall reimburse Secured Party for any expenses and costs, including reasonable attorneys' fees, which it may have in its discretion incurred in the investigation and defense of said claims or causes of action.

(h) Should any part of the Collateral Security come into the possession of Secured Party, whether before or after a Default (as such term is herein-after defined), Secured Party may use or operate such Collateral Security for the purpose of preserving it or its value, or pursuant to the order of a court of appropriate jurisdiction, or in accordance with any other rights held by Secured Party in respect of the Collateral Security. Debtor covenants to promptly reimburse and pay to Secured Party, at Secured Party's request, the amount of all reasonable expenses (including the cost of any insurance and payment of taxes or other charges) incurred by Secured Party in connection with its custody, preservation, use, operation of the Collateral Security, and all such expenses, costs, taxes, and other charges shall be part of the Secured Debt and shall bear interest at the highest lawful rate from the date incurred until the date repaid to Secured Party. It is agreed, however, that the risk of accidental loss or damage to such Collateral Security is on Debtor, and Secured Party shall have no liability whatsoever for failure to obtain or maintain insurance, or for failure to determine whether any insurance ever in force is adequate as to amount or as to the risks insured.

6. Default and Remedies. Debtor and Secured Party agree as follows:

(a) Default. As used herein, the term "Default" means (i) the failure of Debtor to pay any or all of the Secured Debt when due, (ii) the failure of Debtor to comply with the terms of this Security Agreement or any other Loan Papers, (iii) Debtor's making of any untrue representation in this Security Agreement, (iv) any condition or event giving rise to any right of mandatory prepayment of the Secured Debt, (v) Debtor (A) executes an assignment for the benefit of all of creditors, or (B) becomes or is adjudicated a bankrupt or insolvent, or (C) admits in writing its inability to pay its debts generally as they become due, or (D) applies for or consents to the appointment of a conservator, receiver, trustee, or liquidator of it or of all or any substantial part of its assets, or (E) files a voluntary petition seeking relief under any Debtor Relief Laws, or (F) files an answer admitting the material allegations of, or consents to, or defaults in, a petition filed against it in any proceedings under Debtor Relief Laws, or (G) institutes or voluntarily is or becomes a party to any other judicial or non-judicial arrangement or proceeding intended to effect a discharge of debts, in whole or in part, or a postponement of the maturity or collection thereof; (vi) (A) an order, judgment, or decree shall be entered by any governmental body having jurisdiction approving a petition seeking reorganization or appointing a conservator, receiver, trustee, or liquidator of Debtor or of all or any substantial part of its assets, or (B) a petition is filed against Debtor seeking relief under any Debtor Relief Laws, or (vii) the failure to have discharged within a period of 60 days after the commencement thereof any attachment, sequestration, or similar proceeding against any of the assets of Debtor.

(b) Remedies. If any Default shall have occurred and be continuing, in addition to any rights and remedies of a secured party under the Uniform Commercial Code as in effect in Texas, or otherwise, Secured Party may, without being required to give any notice except as hereinafter provided: (i) Exercise all rights and powers assigned to Secured Party under Section 2 of this Security Agreement, (ii) apply the cash, if any, then held by it as Collateral Security hereunder to the payment of the Secured Debt, and (iii) if there shall be no such cash or the cash so applied shall be insufficient to pay in full all of the Secured Debt, sell, lease, or otherwise dispose of, at any such location or locations as may be chosen by Secured Party, all or any part of the Collateral Security, in its then condition or following any commercially reasonable preparation or processing, as a unit or in parcels, by public or private sale (it being agreed that the sale of any part of the Collateral Security shall not exhaust Secured Party's power of sale, but that sales may be made from time to time, at any time, until all Collateral Security has been sold or the Secured Debt has been paid and performed in full), for cash, upon credit, or for future delivery, and at such price or prices as Secured Party may deem satisfactory, and Secured Party may be the purchaser of any or all of the Collateral Security so sold. Upon any such sale Secured party shall have the right to deliver, assign, and transfer to the purchaser thereof the Collateral Security so sold. Each purchaser at any such sale shall hold the property sold absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption, of Debtor, which hereby specifically waives all rights of redemption, stay, or appraisal which it may have under any rule of law or statute now existing or hereafter adopted. Secured Party shall give Debtor five days' written notice of its intention to make any such public or private sale. Such notice, in case of public sale, shall state the time and place fixed

for such sale. Secured Party shall not be obligated to make any sale pursuant to any notice of sale given hereunder. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral Security on credit or for future delivery, the Collateral Security so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral Security so sold and, in case of any such failure, such Collateral Security may again be sold upon like notice. Secured Party may also, at its discretion, (i) proceed by a suit or suits at law or in equity to foreclose the security interest and sell the Collateral Security, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction, (ii) retain the Collateral Security in satisfaction of the Secured Debt whenever the circumstances are such that Secured Party is entitled to do so under the Uniform Commercial Code as in effect in Texas or otherwise, (iii) surrender any policies of insurance on the Collateral Security and receive the unearned premiums, or (iv) subject to the rights of RLC under the Management Agreement, or of any lessee rightfully in possession, enter upon the premises where any of the Collateral Security not in the possession of Secured Party is located and take possession thereof and remove the same, with or without judicial process.

(c) Application of Proceeds. The proceeds of any sale of, or other realization upon, all or any part of the Collateral Security, or any other cash at the time held by Secured Party under this Security Agreement, shall be applied by Secured Party in the following order of priorities:

(i) First, to the payment of the costs and expenses of such sale or other realization, including reasonable compensation to Secured Party and its agents and counsel, and all expenses, liabilities, and advances made or incurred by Secured Party in connection therewith;

(ii) second, to the payment of the remaining Secured Debt; and

(iii) finally, to the payment to Debtor or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds and other cash.

As used herein, the term "proceeds" of the Collateral Security means cash, securities, and other property realized in respect of, and distributions in kind of, the Collateral Security, including any thereof received under any reorganization, liquidation, or adjustment of debts of Debtor. Secured Party may make payments or distributions hereunder in cash or in any property or securities received on account of the Collateral Security or, on a ratable basis, in any combination thereof.

7. Secured Party Appointed Attorney-in-Fact. Secured Party is hereby appointed the attorney-in-fact of Debtor for the purpose of carrying out the provisions of this Security Agreement and taking any action and executing any instruments which Secured Party may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with interest.

8. No Waivers, etc. Nothing in this Security Agreement shall be deemed a waiver or prohibition of Secured Party's right of counterclaim, offset, banker's lien, or other lien or a waiver or release of any Collateral Security, guaranty, or (except to the extent expressly provided herein) other right or power now or hereafter held or enforceable by or available to Secured Party.

9. Governing Law. This Security Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

10. Obligations of Secured Party. Secured Party makes no representations or warranties with respect to the Collateral Security or any part thereof, and Secured Party shall not be chargeable with any obligations or liabilities of Debtor with respect thereto.

11. Marshalling, etc. To the fullest extent that it may lawfully so agree, Debtor shall not at any time insist upon, claim, plead, or take any benefit or advantage of any appraisal, valuation, stay, extension, moratorium, redemption, or any similar law now or hereafter in force in order to willfully and intentionally prevent, delay, or hinder the enforcement of this Security Agreement or the absolute sale of any part or all of the Collateral Security or the possession thereof by any purchaser at any sale; and Debtor for itself and all who may claim through it, as far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all right to have the Collateral Security marshalled upon any foreclosure hereof.

12. Notices. Any notices or other communications required to be given to Debtor hereunder must be given in writing and must be personally delivered or mailed by prepaid certified or registered mail to Debtor at its address as it appears on the signature page hereof. Any such notice or other communication shall not be deemed to have been given (whether actually received or not) on the day it is personally delivered as aforesaid or, if mailed, on the third day after it is mailed as aforesaid. Debtor may change its address for purposes hereof by giving notice of such change to Secured Party.

13. Amendments. This Security Agreement may only be amended by an instrument in writing executed jointly by Debtor and Secured Party.

14. Multiple Counterparts. This Security Agreement has been executed in a number of identical counterparts, each of which constitutes an original and all of which constitute, collectively, one agreement but, in making proof hereof, it shall not be necessary to produce or account for more than one such counterpart.

15. Parties Bound. This Security Agreement is binding upon Debtor and its successors and assigns, and inures to the benefit of Secured Party and its successors and assigns; provided, that Debtor shall not be entitled to assign any of its rights, duties, liabilities, or obligations under this Security Agreement.

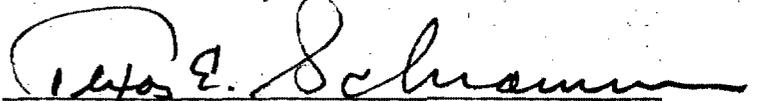
16. Invalid Provisions. If any provision of this Security Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable; this Security Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom.

17. Maximum Rate of Interest. Regardless of any provisions contained in this Security Agreement or in any other instrument evidencing or securing all or any part of the Secured Debt, Secured Party shall never be entitled to receive, collect, or apply, as interest on the Secured Debt, any amount in excess of the maximum rate of interest permitted to be charged by applicable law as in effect from time to time, and, in the event Secured Party ever receives, collects, or applies, as interest, any such excess, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Secured Debt, and, if the principal balance of the Secured Debt is paid in full, any remaining excess shall be forthwith paid to Debtor. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the highest lawful rate, Debtor and Secured Party shall, to the maximum extent permitted under applicable law, (i) characterize any nonprincipal payment as an expense, fee, or premium rather than as interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) "spread" the total amount of interest throughout the entire term of the Secured Debt so that the interest rate is uniform throughout the entire term of the Secured Debt.

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be duly executed as of the date first above written.

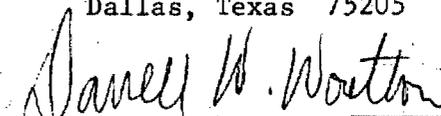
TEXAS E. SCHRAMM
Debtor

Address: 6116 North Central Expressway
Dallas, Texas 75206



PARK CITIES BANK
Secured Party

Address: P. O. Box 8367
Dallas, Texas 75205

By 

DARRELL W. WOOTTON
Executive Vice President

STATE OF TEXAS)
)
COUNTY OF DALLAS)

On this 27th day of February, 1981, before me personally appeared Texas E. Schramm, 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.

Madge H. Pounds
NOTARY PUBLIC IN AND FOR
DALLAS COUNTY, TEXAS.

My Commission Expires:
MADGE H. POUNDS, Notary Public
~~In and for Dallas County, Texas~~
My Commission Expires 2-17-85

STATE OF TEXAS)
)
COUNTY OF DALLAS)

On this 27th day of February, 1981, before me personally appeared Darrell W. Wootton, to me personally known, who being by me duly sworn, says that he is the Executive Vice President of Park Cities Bank, 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.

Madge H. Pounds
NOTARY PUBLIC IN AND FOR
DALLAS COUNTY, TEXAS.

My Commission Expires:
MADGE H. POUNDS, Notary Public
~~In and for Dallas County, Texas~~
My Commission Expires 2-17-85

EXHIBIT "A"

DESCRIPTION OF EQUIPMENT

Three (3) 23,500 gallon nominal capacity tank cars, DOT111A100W3, exterior coiled and insulated, 100-ton roller bearing trucks bearing the following numbers:

RTMX 13098

RTMX 13101

RTMX 13106