

# CAPITAL NATIONAL BANK

1-012-184

RECORDATION NO. 12735/B  
FILED 1426

JAN 12 1981 -!! 25 AM  
INTERSTATE COMMERCE COMMISSION

No.

Date JAN 12 1981

100.00

RECORDATION NO. 12735  
FILED 1426

JAN 12 1981 -!! 25 AM  
INTERSTATE COMMERCE COMMISSION  
P.O. Box 550  
Austin, Texas 78789  
(512) 476-6611

December 19, 1980

RECORDATION NO. 12735-A  
FILED 1426

JAN 12 1981 -!! 25 AM  
INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate  
Commerce Commission  
Washington, D. C. 20423

Dear Sir:

Enclosed for filing pursuant to 49 U.S.C. 20e and 49 C.F.R. 116  
are the following documents:

- (1) One original and two certified copies of a Management Agreement dated October 24, 1980, between Rex-Noreco, Inc., 616 Palisade Avenue, Englewood Cliffs, New Jersey and Forest and Georgene Majors of 3702 Hidden Cove, Austin, Texas 78731;
- (2) One original and two certified copies of a Collateral Assignment between Forest and Georgene Majors of 3702 Hidden Cove, Austin, Texas, 78731 and the Capital National Bank in Austin, 114 West 7th Street, Austin, Texas 78701 and
- (3) One original and two certified copies of a Security Agreement between Forest and Georgene Majors of 3702 Hidden Cove, Austin, Texas, 78731 and the Capital National Bank in Austin, 114 West 7th Street, Austin, Texas 78701.

A cashier's check in the amount of \$100 is enclosed as a filing fee for the above referenced documents in accordance with 49 U.S.C. 1116 3 (d) (2).

The rolling stock involved in the transaction are described as follows:

One(1) 100 ton, 4650 cu. ft. steel covered Hopper car, bearing the following number MILW-101934.



Page 2.

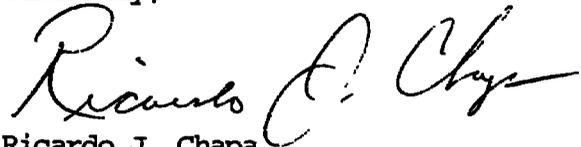
Secretary of the Interstate  
Commerce Commission  
Washing, D. C. 20423

One (1) 100 ton, 4650 cu. ft. steel covered hopper car, bearing  
the following number MILW-101937.

After the documents have been filed, kindly return the originals  
to Ricardo J. Chapa, Banking Officer, The Capital National Bank,  
in Austin, Texas, P. O. Box 550, Austin, Texas 78789.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Ricardo J. Chapa". The signature is written in black ink and is positioned above the typed name and title.

Ricardo J. Chapa  
Banking Officer

RJC/md

Enclosures

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

**1/13/81**

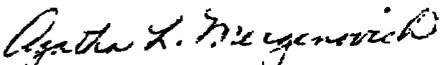
**OFFICE OF THE SECRETARY**

**Ricardo J Chapa**  
**Banking Officer**  
**The Capital National Bank**  
**P.O.Box 350**  
**Austin, Texas 78789**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **1/12/81** at **11:25am**, and assigned re-  
recording number(s). **12735, 12735-A, 12735-B**

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

JAN 12 1981 - 11 25 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

FOREST MAJORS and GEORGENE MAJORS

of \_\_\_\_\_, Austin, Travis County, Texas, collectively, hereinafter called "Debtor", and The Capital National Bank in Austin, 114 West 7th Street, Austin, Travis County, Texas, hereinafter called "Secured Party", agree as follows:

SECTION I. CREATION OF SECURITY INTEREST

Debtor 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, whenever or however (whether heretofore or hereafter) created or incurred, including but not limited to the obligations and indebtedness of Debtor to Secured Party described in Section III of this Security Agreement.

SECTION II. COLLATERAL

The collateral of this Security Agreement is inventory or equipment of the following description:

Two (2) new 100-ton truck covered hopper railcars DOT  
and bearing numbers  
MILW-101937, MILW-101934

now owned or hereafter acquired by Debtor, and all additions and accessions thereto, and proceeds thereof (hereinafter collectively called the "Collateral"). 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. This is a purchase money security interest and Debtor will use funds to purchase the Collateral or the Secured Party may disburse funds direct to the seller of the Collateral.

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, as well as all other indebtedness now due and owing said Secured Party, and any and all indebtedness hereafter to become due and owing said Secured Party, whether evidenced by note, overdraft, endorsement or otherwise, and any and all renewals, rearrangements, or extensions of said indebtedness, including but not limited to that certain promissory note dated October 21, 19 80, in the original amount of \$106,000.00, executed by Debtor and payable to the order of Secured Party.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures

(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.

(3) Debtor's residence is the address shown at the beginning of this agreement, and Debtor will immediately notify Secured Party in writing of any change of Debtor's place of residence.

(4) The chief place of business of Debtor is the address shown at the beginning of this agreement. Debtor will immediately notify Secured Party in writing of any change in Debtor's chief place of business. 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) Until default, Debtor may use the Collateral in any lawful manner not inconsistent with this agreement or with the terms or conditions of any policy of insurance thereon and may also lease the Collateral in the ordinary course of business. Secured Party's security interest shall attach to all proceeds of dispositions of the Collateral.

(a) At the request of Secured Party, Debtor will maintain a special bank account with Secured Party, over which Secured Party has the sole power of withdrawal. Upon Secured Party's demand, Debtor will deposit upon receipt all checks, drafts, cash, and other payments pursuant to Inventory leased. At least once a week, Secured Party will apply the whole or part of the funds on deposit in the special account against the principal or interest or both of loans made under this agreement. Secured Party may determine the order and method of such application. Any portion of funds on deposit in the special account which Secured Party elects not to so apply may be paid over by Secured Party to Debtor.

(b) Debtor will at all times keep accurate and complete records of the Collateral and Secured Party may call at Debtor's place of business at intervals, and without hindrance or delay, inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence, and other data relating to the Collateral or to any other transaction between Secured Party and Debtor.

(6) Debtor shall pay prior to delinquency all taxes, charges, liens, assessments, management fees, and any other expenses whatsoever against the Collateral, or relating to its operation or maintenance, 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 the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this 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.

(7) 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 extended coverage, and in the case of rolling stock, 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.

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.

(8) Debtor shall, 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.

(9) Debtor shall not lend, rent, lease or otherwise dispose of the Collateral or any interest therein except in accordance with that certain Management Agreement dated September 29, 1980, between Debtor and REX LEASING COMPANY, a New Jersey corporation (the "Management Agreement"), and as otherwise authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds thereof, free from unpaid charges, including taxes, and from liens, encumbrances and security interests other than that of Secured Party.

(10) Debtor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a financing statement signed only by Secured Party covering the Collateral. At the request of Secured Party, Debtor will join Secured Party in executing such documents as Secured Party may determine, from time to time, to be necessary or desirable under provisions of the Uniform Commercial Code and applicable federal laws and regulations. Without limiting the generality of the foregoing, Debtor agrees to join Secured Party, at Secured Party's request, in executing one or more financing statements in form satisfactory to Secured Party, and Debtor will pay the cost of filing or recording the same, and of filing or recording this Security Agreement, in all public offices at any time and from time to time, whenever filing or recording of any such financing statement or of this Security Agreement is deemed by Secured Party to be necessary or desirable. In connection with the foregoing, it is agreed and understood between the parties hereto (and Secured Party is hereby authorized to carry out and implement the following agreements and understandings and Debtor hereby agrees to pay the cost thereof) that Secured Party may, at any time or times, file as a financing statement any counterpart, copy, or reproduction of this Security Agreement signed by Debtor if Secured Party shall elect so to file, and it is also agreed and understood that Secured Party may, if deemed necessary or desirable, file (or sign and file) as a financing statement any carbon copy of, or photographic or other reproduction of, this Security Agreement or of any financing statement executed in connection with this Security Agreement.

(11) Debtor shall at all times keep proceeds of the Collateral separate and distinct from other property of Debtor and shall keep accurate and complete records of the Collateral and its proceeds.

(12) Debtor is the owner of the Collateral free and clear of any lien, encumbrance, charge, or interest of any third person whatsoever.

(13) The Collateral will not be misused or abused, wasted or 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.

(14) The collateral will not be sold, transferred or disposed of by Debtor or be subjected to any unpaid charge, including management fees, rent and taxes, or to any subsequent interest of a third person created or suffered by Debtor voluntarily or involuntarily, unless Secured Party consents in writing in advance to such sale, transfer, disposition, charge, or subsequent interest.

#### 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.

(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, 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) 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. If Secured Party makes such call for additional collateral and Debtor fails to furnish such additional security, then Secured Party may declare Debtor to be in default under this Security Agreement.

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

(9) Default by either of the parties to the Management Agreement in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to therein.

## 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 by Secured Party 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.

(2) Secured Party may enter upon Debtor's premises at any reasonable time to inspect 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

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

EXECUTED this 19 day of December, 1980.

  
FOREST MAJORS

  
GEORGENE MAJORS

Debtor

THE CAPITAL NATIONAL BANK IN AUSTIN

By 

Secured Party

THE STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared Forest Majors and Georgene Majors, known to me to be the persons whose names ~~is~~ are subscribed to the foregoing instrument, and acknowledged to me that ~~he~~ they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 19 day of December 19 80.

Margaret C. Dorley  
Notary Public in and for Travis County,  
Texas

My Commission Expires:

October 16, 1984.

THE STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared Ruando Chapa, Vice President of The Capital National Bank in Austin, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office on this the 19 day of December 19 80.

Margaret C. Dorley  
Notary Public in and for Travis County,  
Texas

My Commission Expires:

October 16, 1984.

State of Texas  
County of Travis

On this 19 day of December 1980, I have compared the copy with the original documents and that it is a true and correct copy in all respects.

Margaret C Donley  
Notary Public

Margaret C. Donley

My commission expires

October 16, 1984