

CAPITAL NATIONAL BANK

RECORDATION NO. 12735, B
FIND 1425
JAN 12 1981 - 11 25 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12735
FIND 1425

JAN 12 1981 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

P.O. Box 550
Austin, Texas 78789
(512) 476-6611

No. 1-012, 111
Date JAN 12 1981
100.00

December 19, 1980

RECORDATION NO. 12735-A
FIND 1425

JAN 12 1981 - 11 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. 20c 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 MIIW-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 dark 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

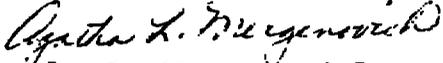
OFFICE OF THE SECRETARY

Ricardo J Chapa
Banking Officer
The Capital National Bank
P.O.Box 350
Austin, Texas 78769

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)

12735 B

RECORDATION NO. _____ FILED 1628

COLLATERAL ASSIGNMENT

JAN 12 1981 - 11 25 AM

INTERSTATE COMMERCE COMMISSION
December 19 _____, 19 80

I. PARTIES, COLLATERAL AND OBLIGATIONS

FOREST MAJORS and GEORGENE MAJORS

hereinafter called "Debtor", whose address is _____, Austin, Texas, for valuable considerations, receipt of which is hereby acknowledged, hereby TRANSFERS, ASSIGNS and CONVEYS to THE CAPITAL NATIONAL BANK IN AUSTIN, a national banking association of Austin, Texas, hereinafter called "Secured Party" whose address is 114 West 7th Street, Austin, Travis County, Texas, a continuing security interest in and to that certain Management Agreement dated September 29, 19 80, by and between Debtor and REX LEASING COMPANY, a New Jersey corporation, (the "Management Company"), providing for the management and supervision by the Management Company of certain railway equipment, upon the terms and conditions stated therein, hereinafter sometimes referred to as the "Contract" (whether one or more), together with all proceeds, monies, payments, income, collections and benefits otherwise attributable or accruing to Debtor pursuant to the Contract and any replacements of the Contract and in the event that Debtor shall receive any such, Debtor will hold same in trust for Secured Party and will not commingle same with other monies or property of Debtor and will promptly deliver same to Secured Party, to be applied by Secured Party to the then outstanding indebtedness secured by this Collateral Assignment, whether or not then due, in such order or manner as Secured Party may elect. The Contract and all other collateral of all kinds in which Secured Party is herein granted a security interest or acquires a security interest hereunder shall hereinafter be called the "Collateral."

The security interest granted herein secures the payment and performance of all indebtedness, obligations and liabilities of Debtor to Secured Party, hereinafter called the "Obligations," whether joint or several, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and all renewals, extensions and re-arrangements of the above liabilities, and any of the same, including, without limitation, indebtedness evidenced by a promissory note dated _____, 1980, hereafter called the "Note," executed by Debtor in the original amount of ONE HUNDRED SIX THOUSAND _____ and _____ No/100 Dollars (\$ 106,500.00 _____), payable to the order of Secured Party, and including costs and expenses and attorneys' fees and legal expenses, all in accordance with the terms of the Note and this Collateral Assignment. Unless otherwise agreed, in writing, all of the Obligations shall be payable or otherwise performed at the offices of Secured Party in Austin, Travis County, Texas.

Debtor hereby assigns, transfers, delivers and grants a security interest in the Collateral to Secured Party to secure payment and performance of all of the Obligations.

II. WARRANTIES, COVENANTS AND AGREEMENTS OF DEBTOR

Debtor hereby warrants, covenants and agrees that:

(1) Except for the security interest granted hereby, Debtor is, and as to Collateral acquired after the date hereof, Debtor shall and will be, the owner and holder of all the Collateral free from any adverse claim, security interest, encumbrance, lien, charge or any other right, title or interest of any person other than Secured Party; Debtor has full power and lawful authority to sell, transfer and assign the Collateral to Secured Party and to grant to Secured Party a first, prior and valid security interest therein as herein provided; the execution and delivery and the performance hereof and of the Contract are not in contravention of any indenture, agreement or undertaking to which the Debtor is a party or by which the Debtor is bound; the Contract and this Collateral Assignment are

(2) The Collateral is subject only to such set-offs, counterclaims or credit, if any, as is specifically noted herein or by written notice from Debtor to Secured Party heretofore received.

(3) (a) Debtor has not heretofore signed any financing statement or security agreement which covers any part of the Collateral, and no such financing statement or security agreement is now on file in any public office.

(b) As long as any of the Obligations remain unperformed or as long as any amount remains unpaid on any of the Obligations or on any indebtedness or liabilities of Debtor to Secured Party, or as long as any credit from Secured Party to Debtor is in use by or available to Debtor,

(i) Debtor will not enter into or execute any security agreement or any financing statement covering any part of the Collateral other than those security agreements and financing statements in favor of the Secured Party hereunder, and further,

(ii) there will not be on file in any public office any security agreement, financing statement or statements (or any documents or papers filed as such), covering any part of the Collateral, other than security agreements and financing statements in favor of Secured Party hereunder.

(c) 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 Collateral Assignment, in all public offices at any time and from time to time, whenever filing or recording of any such financing statement or of this Collateral Assignment 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 Collateral Assignment signed by Debtor if Secured Party shall elect to so 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 Collateral Assignment or of any financing statement executed in connection with this Collateral Assignment.

(4) Debtor will not sell or offer to sell or otherwise transfer or encumber or dispose of the Collateral or any interest therein without the prior written consent of Secured Party.

(5) Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance, and will not terminate or amend the Contract without the prior written consent of Secured Party.

(6) Debtor will not release or surrender any of the Collateral at any time or times.

(7) Debtor will take all action necessary to maintain and preserve the Collateral at all times as valid, subsisting and perfected as to all the rights affected and covered thereby and to maintain the priority and validity of the Collateral as against the rights, claims and interests of all other persons and parties whomsoever.

(8) If at any time or times Secured Party shall be of the opinion that the Collateral is not sufficient or has declined or may decline in value or Secured Party shall deem payment or performance of any of the Obligations to Secured Party to be insecure, then Secured Party may call for additional security satisfactory to Secured Party, and Debtor agrees to furnish such additional security forthwith. The call for additional security

(9) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit made or delivered to Secured Party by or on behalf of Debtor prior to, contemporaneously with or subsequent to the execution of this Collateral Assignment are and shall be true, correct, complete, valid and genuine.

(10) Debtor will, upon the execution of this Collateral Assignment by or on behalf of Debtor, deliver or cause to be delivered to Secured Party the Contract subject to this Collateral Assignment, bearing proper assignment of Debtor's right, title and interest therein, but not of Debtor's obligations thereunder, which obligations Debtor will faithfully perform. Secured Party shall be deemed to have assumed the performance of Debtor's obligations thereunder unless expressly assured by Secured Party in writing.

III. FURTHER AGREEMENTS BETWEEN DEBTOR AND SECURED PARTY

(1) Secured Party shall never be under any obligation to collect, attempt to collect, protect or enforce the Collateral, which Debtor agrees and undertakes to do at Debtor's expense; but Secured Party may do so in its discretion at any time or times, and Secured Party shall have the right to take any steps, by judicial process or otherwise, it may deem proper from time to time to effect the collection of all or any portion of the Collateral or to protect or to enforce the Collateral. 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 necessary to realize upon the security interest created herein. All expenses (including, without limitation, attorneys' fees and legal expenses) actually incurred or paid by Secured Party in connection with or incident to any such collection or attempt to collect the Collateral or actions to protect or enforce the Collateral shall be borne by Debtor or reimbursed by Debtor to Secured Party upon demand. The proceeds of collection of the Collateral shall be held by Secured Party without liability for interest thereon and may be applied by Secured Party as Secured Party may deem appropriate toward payment of the Note or any other of the Obligations secured hereby, whether or not then due, in such order or manner as Secured Party may elect.

(2) If any taxes or governmental assessments of any kind or character shall be levied upon or against the Collateral or upon or against the Note or any other note evidencing any part of the Obligations, same shall be promptly paid before delinquency by Debtor, and if any of such taxes or governmental assessments are not paid by Debtor prior to delinquency thereof, Secured Party may, at its option, pay and discharge such taxes or assessments and any interest, costs or penalties in connection therewith, or any part thereof, and shall be the sole judge as to the validity and effect thereof.

(3) In the event Secured Party shall pay any such taxes, assessments, interest, costs, penalties or expenses incident to, or in connection with, the collection of the Collateral or protection or enforcement of the Collateral, Debtor, upon demand of Secured Party, shall pay to Secured Party the full amount thereof with interest at the rate of ten per cent (10%) per annum from their respective dates of payment by Secured Party until repaid to Secured Party in full, and so long as Secured Party shall be entitled to any such payment, this Collateral Assignment shall operate as security therefor as fully and to the same extent as it operates as security for payment of the Note and Obligations, and for the enforcement of such repayment Secured Party shall have every right and remedy provided for enforcement of payment of the Note.

(4) When the Note and all other of the Obligations shall have been paid, performed and satisfied in full, if this Collateral Assignment has not theretofore been foreclosed, Secured Party or any other holder of the Obligations shall reassign to Debtor, without recourse or warranty, express or implied, the then existing rights, titles and interests of Secured Party in and to the Collateral, upon the written request of Debtor, and the costs of such reassignment shall be borne by Debtor, and Secured Party shall pay to Debtor the surplus money, if any, without interest thereon, then in the hands of Secured Party representing collections on or proceeds of the Collateral not theretofore applied toward payment of the Obligations.

IV. EVENTS OF DEFAULT

(1) Default in the payment, when due, of the principal of, or interest on, the Note or any other of the Obligations, or any defaults in the performance of the Obligations, or any of them;

(2) Failure or refusal of Debtor to perform or observe any of the covenants, duties or agreements herein imposed upon or agreed to be performed or observed by Debtor;

(3) Default in the performance of any agreement or obligation of Debtor or of any maker, endorser, guarantor or surety of any liability or obligation of Debtor to the holder of the Obligations;

(4) Default in the performance of or compliance with any of the provisions of the Contract by either party thereto;

(5) Any deterioration or impairment of the Collateral or any part thereof or any decline or depreciation in the market value thereof (whether actual or reasonably anticipated) which, in the judgment of Secured Party, causes the Collateral to become unsatisfactory as to value or character;

(6) The levy of any attachment, execution or other process against Debtor or any of the Collateral;

(7) Death, insolvency or business failure of Debtor or any endorser, guarantor or surety of any of the Obligations, commission of an act of bankruptcy by, or appointment of receiver or other legal representative for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency law by or against, Debtor or any endorser, guarantor or surety for any of the Obligations;

(8) Any warranty, representation or statement made in this Collateral Assignment or made or furnished to Secured Party by or on behalf of Debtor in connection with this Collateral Assignment or to induce Secured Party to make any loan to Debtor proves to have been false in any material respect when made or furnished, or any financial statement of Debtor or of any endorser, guarantor or surety on any of the Obligations which has been or may be furnished to Secured Party by or on behalf of Debtor or such guarantor, endorser or surety shall prove to be false in any materially detrimental respect.

V. REMEDIES

In the event of default in the performance of payment of any of the Obligations or any principal, interest or other amount payable thereunder when due, or upon the happening of any of the events of default specified above, and at any time thereafter, at the option of the holder thereof, any or all of the Obligations shall be immediately matured and shall become immediately due and payable without presentment or demand or any notice to Debtor or any other person obligated thereon, and Secured Party shall have and may exercise with reference to the Collateral and Obligations any or all of the rights and remedies of a secured party under the Uniform Commercial Code as adopted and as amended in the State of Texas, and as otherwise granted herein or under any other applicable law or under any other agreement executed by Debtor including, without limitation, the right and power to sell, at public or private sale or sales, or otherwise dispose of, or utilize the Collateral and any part or parts thereof in any manner authorized or permitted under said Uniform Commercial Code after default by a Debtor, and to apply the proceeds thereof toward payment of any costs and expenses and attorneys' fees and legal expenses thereby incurred by Secured Party and toward payment of the Obligations in such order or manner as Secured Party may elect. To the extent permitted by law, Debtor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of Debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of Secured Party existing after default hereunder; and to the extent any such notice is required and cannot be waived, Debtor agrees that if such notice is mailed, postage prepaid, to Debtor at the address first shown hereinabove at the beginning of this Collateral Assignment, at least five (5) days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice.

income, proceeds or benefits attributable or accruing thereto and to hold the same, without liability for interest thereon, as security for the Obligations or to apply it on the principal and interest or other amounts owing on any of the Obligations, whether or not then due, in such order or manner as Secured Party may elect. Secured Party is expressly granted the rights, exercisable at its option at any time, whether before or after default, to take control of any proceeds and to notify obligors on any or all of the Contracts to make all payments directly to Secured Party on any and all Contracts constituting, at any time or from time to time, a part of the Collateral; and Debtor will, upon request of Secured Party, so notify all such obligors.

All rights to marshalling of assets of Debtor, including any such right with respect to the Collateral, are hereby waived by Debtor.

All recitals in any instrument of assignment or any other instrument executed by Secured Party to sale, transfer, assignment or other disposition or utilization of the Collateral or any part thereof hereunder shall be full proof of the matters stated therein and no further proof shall be requisite to establish full legal propriety of the sale or other action taken by Secured Party or of any fact, condition or thing incident thereto and all prerequisites of such sale or other action or of any fact, condition or thing incident thereto shall be presumed conclusively to have been performed or to have occurred.

The right of Secured Party to take possession or control of the Collateral whether or not upon the happening of any of the events or conditions constituting a default may be exercised without resort to any court proceeding or judicial process whatever and without any hearing whatever thereon.

VI. GENERAL

The execution and delivery of this Collateral Assignment in no manner shall impair or affect any other security (whether by endorsement or otherwise) for the payment of the Note or any other of the Obligations or the performance of same, and no security taken hereafter as security for payment of the Note or any other of the Obligations shall impair in any manner or affect this Collateral Assignment, all such present and future additional security to be considered as cumulative security. Any of the Collateral may be released from this Collateral Assignment without altering, varying or diminishing in any way the force, effect, lien, security interest, or charge of this Collateral Assignment as to the Collateral not expressly released, and this Collateral Assignment shall continue as a first lien, security interest and charge on all of the Collateral not expressly released until all obligations, liabilities, sums and indebtedness secured hereby have been paid and performed in full. Any future assignment of the interest of Debtor in and to any of the Collateral shall not deprive Secured Party of the right to sell or otherwise dispose of or utilize all of the Collateral as above provided or necessitate the sale or disposition thereof in parcels or in severalty.

This Collateral Assignment shall not be construed as relieving Debtor from full personal liability on the Obligations, any and all future and other indebtedness secured hereby and for any deficiency thereon.

If maturity of the Obligations shall be accelerated for any reason, the full amount of any interest then unearned which has been collected theretofore by or for Secured Party shall thereupon be credited against the Obligations. Notwithstanding any other provision in this Collateral Assignment or in the Obligations or in any of them, Debtor shall never be liable for unearned interest on the Obligations, or on any of them, and shall further never be required to pay interest on the Obligations, or on any of them, at a rate in excess of the maximum interest rate authorized and allowed by applicable law. To the extent permitted by applicable law, and only to that extent, the provisions of this paragraph shall have no application to a premium or bonus payable upon any voluntary anticipation of payment by Debtor on the Obligations or any part thereof. The intent of the parties being to conform and comply fully with all laws concerning usury applicable hereto or to the Obligations or any of them, any agreement concerning interest in any of the foregoing shall be subject to reduction to the amount allowed under the applicable laws with respect to usury, as now or hereafter construed by the courts with jurisdiction thereof, and any interest collected in excess of the amount authorized and permitted by such laws shall be refunded to the person paying the same, or credited against the

credited by or due from the holder of the Obligations to Debtor or any endorser, guarantor or surety of any of the Obligations and any securities or other property of Debtor or any endorser, guarantor or surety of any of the Obligations in the possession of the holder of the Obligations may at all times be held and treated as additional and cumulative collateral security for payment of the Obligations, and Debtor grants Secured Party a security interest in all such deposits, deposit accounts, certificates of indebtedness, sums, securities and other property as additional and cumulative security for payment of the Obligations. The holder of the Obligations may apply or set-off such deposits, deposit accounts, certificates of indebtedness, securities or other sums or property against the Obligations without notice to Debtor, endorsers, guarantors or sureties, and at any time in the case of Debtor but only with respect to matured liabilities in case of the endorsers, guarantors, or sureties of any of the Obligations.

Secured Party may, at its option, whether or not the Obligations are due, demand, sue for, collect or make any compromise or settlement it deems desirable with reference to the Collateral. Secured Party shall not be obligated to take any steps necessary to preserve any rights in the Collateral against other parties, which Debtor hereby assumes to do.

No delay or omission on the part of Secured Party in exercising any right hereunder shall operate as a waiver of any such right or any other right. A waiver on any one or more occasions shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

Any notice or demand to Debtor hereunder or in connection herewith may be given and shall conclusively be deemed and considered to have been given and received upon the deposit thereof in writing in the U.S. Mails, duly stamped and addressed to Debtor either at the street address first shown hereinabove or at the mailing address, if any, given for Debtor at the beginning of this Collateral Assignment; but actual notice to Debtor, however given or received, shall always be effective.

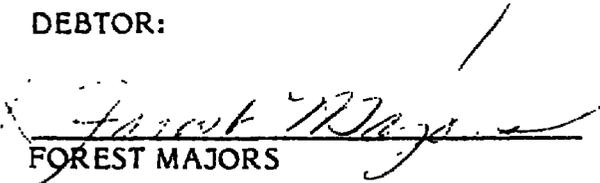
All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several, and all references to "Debtor" herein shall mean both Debtors and/or either of them.

Each term used in this Collateral Assignment, unless the context otherwise requires and in all events subject to any express definitions set forth in this Collateral Assignment, shall be deemed to have the same meaning herein as that given each such term under the Uniform Commercial Code, as adopted and as amended, in the State of Texas. As used in this Collateral Assignment and when required by the context, each number (singular and plural) shall include all numbers, and each gender shall include all genders; and unless the context otherwise requires, the word "person" shall include "corporation, firm or association."

The law governing this secured transaction shall be that of the State of Texas existing as of the date hereof; provided that, if any additional rights or remedies are hereafter granted by the law of Texas to Secured Parties or to persons similarly situated to Secured Party, then Secured Party shall also have and may exercise any such additional rights or remedies.

SIGNED in multiple original counterparts and delivered on the day and year first above written.

DEBTOR:


FOREST MAJORS


GEORGENE MAJORS

SECURED PARTY:

THE CAPITAL NATIONAL BANK IN AUSTIN

BY: *Ricardo Chapa*
Vice President

APPROVED:

REX LEASING COMPANY, a New Jersey corporation

By: _____

MANAGEMENT COMPANY

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, 1980.

Margaret C. Sealey
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 Ricardo 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, 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