

FIRST TENNESSEE BANK



October 31, 1983

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

14188
RECORDATION NO. Filed 1425

NOV 4 1983 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

Re: Security Agreement - Recordation

Dear Ms. Mergenovich:

Enclosed find the original and one fully executed and acknowledged counterpart of Security Agreement for recordation pursuant to Section 11303, Interstate Commerce Act.

The following is pertinent information for recording:

Parties: First Tennessee Bank N.A. Memphis, a National
Banking Association
165 Madison Avenue
Memphis, Tennessee 38103 - Creditor

Tamak Transportation Corporation,
an Arkansas corporation
310 Mid Continent Plaza, Suite 314
West Memphis, Arkansas 72301 - Debtor

~~Document: Security Agreement Release on Railway Tank Cars~~

Equipment: Twelve (12) 32,800-gal. railway tank cars, Class
D.O.T. 112A340W, Serial Nos. TGPX 32801 through
32812, inclusive, retrofitted in compliance with
Emergency Order No. 11, D.O.T.

Please record this Agreement after the accompanying Security Agreement Release covering the same equipment is filed.

We enclosed our check in the sum of \$50.00 for recording fee and ask that the original agreement be returned to the undersigned at the address shown on this letter of transmittal.

Very truly yours,

R. Zane Hutcherson
Vice President

Interstate Commerce Commission
Washington, D.C. 20423

11/4/83

OFFICE OF THE SECRETARY

R. Zane Hutcherson
Vice President
First Tennessee Bank, N.A.
Box 84
Memphis, Tenn. 38101

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 **11/4/83** at **1:45pm** and assigned re-
recording number(s). **14184**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

NOV 4 1983 -1 45 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

TAMAK TRANSPORTATION CORPORATION of 310 Mid Continent Plaza, Suite 314, in the City of West Memphis, County of Crittenden, and State of Arkansas 72301 (hereinafter called "Debtor"), hereby grants to FIRST TENNESSEE BANK, N.A., MEMPHIS, a national banking association of 165 Madison Avenue, Memphis, Tennessee 38103 (hereinafter called "Bank"), a security interest in the goods described in Exhibit "A", attached hereto, and made a part hereof as fully and particularly as if set out verbatim herein, together with all after-acquired goods of the same nature, or replacements thereof, complete with accessories, attachments, accessions, and equipment now or hereafter attached or appertaining thereto, to secure payment of the Debtor's note or notes of even date herewith in the aggregate principal or aggregate face amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00), and any and all renewals or extensions thereof, in whole or in part, and also any other indebtedness or liabilities now existing or hereafter arising, due or to become due, absolute or contingent, and whether several, joint and several, of the Debtor to the Bank.

The Debtor warrants and agrees:

1. To pay the Bank all amounts payable on the note mentioned above and all other notes held by the Bank as and when the same shall be due and payable, whether at maturity by acceleration or otherwise, and to perform all terms of said notes and this or any other security agreement or loan agreement between Debtor and the Bank and to discharge all indebtedness due the Bank on all such notes.
2. To defend the collateral against the claims and demands of all persons.
3. The Debtor warrants it is the owner of the collateral free from any liens, security interests, encumbrance, or other right, title or interest of any other person, firm or corporation, except for the security interest granted hereby.

4. The collateral is to be used for the purpose of leasing to railroads or shippers for the transportation in interstate and intrastate commerce of oil products. Debtor agrees to furnish to Bank an executed copy of all leases with any lessee, and copies of any renewals or extensions thereof during the term of this agreement, and further agrees that all said leases shall incorporate therein the provisions set out in paragraph 7 hereof.

5. Debtor has entered into this agreement with Bank for the purpose of paying and discharging an outstanding loan balance of Thirty Thousand Three Hundred Eighty-Four Dollars and Eighteen Cents (\$30,384.18), plus any accrued interest to time of payment due First Tennessee Bank, N.A., Memphis, and also to pay and discharge an outstanding loan balance of One Hundred Five Thousand Dollars and 00/100 Dollars (\$105,000.00), plus accrued interest, due the Fidelity Bank of West Memphis, Arkansas, the remainder of said funds to be used by Debtor as operating capital. Debtor agrees to submit to Bank proof of the use of the proceeds of this loan for the purposes set out herein.

6. The collateral will be used in various states under the aforesaid leases, and Debtor agrees in order to secure payment of the debt evidenced by the aforesaid Note, including renewals and extensions thereof, all costs and expenses incurred in the collection thereof, all future advances, if any, made by Bank, or taxes, levies, insurance or repairs to or maintenance of said collateral, to execute in favor of Bank a continuation agreement of previously filed Uniform Commercial Code Form 1 for the State of Arkansas (the state of its domicile) and the State of Texas. Further, the parties shall execute and file a fully executed copy of this Security Agreement and Note for recordation with the Interstate Commerce Commission pursuant to the provisions of Section 11303, Subtitle IV, of the Interstate Commerce Act of 1978. All cars subject to this agreement shall be marked as follows:

"This equipment subject to a security interest of First Tennessee Bank, N.A., Memphis, recorded with the Interstate Commerce Commission."

7. (a) All leases between Debtor and Zip Transportation Corporation shall contain therein the following language:

"Tamak Transportation Corporation acknowledges the existence of a prior recorded lien on the equipment which is the subject of this lease, in favor of the First Tennessee Bank, N.A., Memphis. In the event any lease contract has not expired at the time of notice of default of any payment by Tamak on said loan, lienholder Bank may continue such lease or leases until its normal expiration date, on the same terms, conditions, and rentals, if acknowledged and agreed to by the lessee. In such event, lienholder Bank, or Tamak for the use of the Bank, shall direct all rentals and other charges due Tamak for the use of this equipment be paid directly to lienholder.

This lease is not assignable except in the event of default as set out above.

Any sublease of the equipment described herein by Zip shall not be assigned or hypothecated by Zip without prior written approval of First Tennessee Bank, N.A., Memphis. Provided further that all such subleases shall contain the provision that said leases are not assignable by Zip."

(b) All subleases between Zip and any shipper user of the equipment subject to this agreement shall refer to this security agreement and direct shipper user to make all lease payments directly to Bank in the event of any default of Zip hereunder.

(c) Debtor shall furnish to Bank executed copies of all leases and subleases entered into between Debtor and Zip Transportation.

8. The Debtor shall not sell or offer or attempt to sell the collateral or any substitutions or accessions, or any accessions, or any interest therein, and will not create or permit to exist any other security interest in or other encumbrance upon the collateral. Debtor warrants no financing statement is now on file in any public office covering any property of any kind now or hereafter owned by the Debtor, or in which Debtor is named as or signs as the Debtor, except the financing statement interests provided for herein, except that security agreement heretofore executed between Debtor and Fidelity National Bank, West Memphis, Arkansas, on March 22, 1977.

9. Any one of the following shall constitute an event of default for the purposes hereof:

(a) If the Debtor uses the collateral in violation of any statute or ordinance.

(b) If the Debtor fails to pay promptly when due all taxes and assessments upon the collateral and for its use or operation, or fails to keep the collateral in good repair; or fails to keep the collateral insured (with an insurance company or companies acceptable to the Bank and with loss payable to the Bank as its interest may appear) at all times against fire (with extended coverage), theft, physical damage and such other risks, and in such amounts for all risks as the Bank shall require, all of which matters and things referred to in this clause (b) the Debtor hereby warrants and agrees to do and perform.

(c) If default is made in the due and punctual payment in full of any indebtedness secured hereby when and as any part of such indebtedness shall become due and payable.

(d) If default is made by the Debtor in the performance or observance of any covenant or agreement provided herein to be performed or observed by the Debtor.

(e) If any warranty, representation or statement made or furnished to the Bank by or on behalf of the Debtor in connection with this agreement proves to have been false in any material respect when made or furnished.

(f) If the collateral suffers substantial damage or destruction.

(g) If the collateral is levied or seized under any levy or attachment or under any other legal process.

(h) The death, incompetence, dissolution or termination of existence of the Debtor.

(i) The commencement of any bankruptcy or insolvency proceedings by or against the Debtor or any guarantor or surety for the Debtor.

10. Debtor agrees that upon the occurrence of any of the events of default set forth in paragraph 9 hereof, the full amount remaining unpaid on the indebtedness secured hereby shall at the option of the Bank without demand or notice, the same being expressly waived, be and become due and payable forthwith, and the Bank shall then have the rights, options, duties and remedies of a secured party under, and the Debtor shall have the rights and duties of a debtor under, the Uniform Commercial Code of the States of Arkansas and Texas (regardless of whether such Code or a law similar thereto has been enacted in the jurisdiction where the rights or remedies are asserted), including without limitation the right in the Bank to take possession of the collateral and of anything found therein, and the right for that purpose without legal process to enter any premises where the collateral may be found, provided such entry shall be done lawfully, and Debtor further agrees in any such case to deliver the collateral to the Bank at a place to be designated by the Bank. Any requirement of said Code of reasonable notification of the time and place of any public sale, or of the time after which any private sale or other intended disposition is to be made, shall be met by giving the Debtor at least five (5) days' prior written notice of the time and place of any public sale or the time after which any private sale or any other intended disposition is to be made, should Bank elect to sell said collateral. The Debtor shall be and remain liable for any deficiency remaining after applying the proceeds of disposition of the collateral first to the reasonable expenses of retaking, holding, preparing for sale, selling and the like, including the reasonable attorney's fees and legal expenses incurred by the Bank in connection therewith, and then to the satisfaction of the indebtedness secured hereunder.

11. The Bank may, in the event of default by the Debtor in so doing, obtain insurance, pay taxes, liens or encumbrances, or order and pay for repairs, and all amounts expended by the Bank shall,

with interest thereon at the maximum lawful contract rate for written contracts, constitute indebtedness of the Debtor secured hereby and be payable forthwith; but no such act or expenditure by the Bank shall relieve the Debtor from the consequences of such default.

12. No warranties, express or implied, and no representations, promises or statements have been made by the Bank unless endorsed hereon in writing. The Debtor hereby waives the benefit of any exemption or homestead statutes now or hereafter in force. Any provision of this agreement prohibited by the law of any state shall, as to said state, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof, to the maximum extent permitted by applicable law; Debtor waives its constitutional right of any pre-seizure hearing following default.

13. This agreement and all rights and liabilities hereunder and in and to any and all collateral shall inure to the benefit of the Bank and its successors and assigns, and shall be binding upon the Debtor, and his, her, its or their heirs, legal representatives, successors and assigns. This agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of Tennessee. All terms used herein which are defined in the Uniform Commercial Code of Arkansas and Texas shall have the same meaning herein as in the Code.

14. Proceeds and products of the collateral are claimed by the Bank, but this shall not constitute a consent by the Bank of sale by Debtor of any part of the collateral without written permission of the Bank.

Debtor acknowledges that this agreement is and shall be effective upon execution by the Debtor and delivery hereof to the

Bank, and it shall not be necessary for the Bank to execute an acceptance hereof or otherwise to signify or express its acceptance hereof.

Executed this the 1st day of November, 1983.

TAMAK TRANSPORTATION CORPORATION

By Donald B. Weis
Donald B. Weis, President

FIRST TENNESSEE BANK, N.A., MEMPHIS

By R. Zane Hutcherson
R. Zane Hutcherson, Vice President

STATE OF TENNESSEE
COUNTY OF SHELBY

Be it remembered that on this day came before me Donald B. Weis, in person, the within-named President, he being the person by said corporation authorized to execute such instrument, to me personally well known, who stated that he was the President of Tamak Transportation Corporation and was duly authorized in his capacity to execute the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

Witness my hand and seal of office at MEMPHIS, TN
this the 1st day of NOVEMBER, 1983.

My Commission Expires:

David S. Work
Notary Public

MY COMMISSION EXPIRES JUNE 12, 1986

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a Notary Public, in and for the above state and county, personally appeared R. Zane Hutcherson, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be a Vice President of the First Tennessee Bank, N.A., Memphis, the within-named bargainer, a national banking association, and that he as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the association by himself as Vice President.

Witness my hand and official seal, at office in MEMPHIS,
TN, this the 1st day of NOVEMBER, 1983.

My Commission Expires:

David S. Work
Notary Public

MY COMMISSION EXPIRES JUNE 12, 1986

EXHIBIT "A"

Following is the collateral referred to in the preamble of the foregoing Security Agreement in which Bank holds a security interest:

Twelve (12) 32,800-gallon capacity, railway tank cars, class D.O.T. 112A340W, Serial Nos. TGPX 32801 through 32812, inclusive, retrofitted in compliance with Emergency Order No. 11, D.O.T., Federal Railroad Administration.