



# Capital National Bank

RECORDATION NO. 11545 Filed 1425 1300 Main at Polk • Houston, Texas 77002  
(713) 651-1100

FEB 28 1980 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

February 20, 1980

0-059A074

11545

RECORDATION NO. 11545 Filed 1425

FEB 28 1980

Re: Capital National Bank Loan to John V. White

FEB 28 1980 - 3 10 PM

Fee \$ 100.00

INTERSTATE COMMERCE COMMISSION  
Washington, D.C.

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

Gentlemen:

In accordance with Section 11303 of the Interstate Commerce Act, we enclose for filing with the Commission an original and two counterparts of each of the following documents:

1. Security Agreement and Chattel Mortgage

Debtor: John V. White  
6006 Bellaire Boulevard  
Bellaire, Texas 77401

Secured Party: Capital National Bank  
1300 Main Street  
Houston, Texas 77002

Collateral: 1 - 10,500 gallon railroad  
tank car, No. GLNX 1105.

2. Security Agreement - Accounts, Contract Rights and General Intangibles

Debtor: John V. White  
6006 Bellaire Boulevard  
Bellaire, Texas 77401

Secured Party: Capital National Bank  
1300 Main Street  
Houston, Texas 77002

Collateral: All right, title and interest  
in and to accounts, contract  
rights, and general intangibles  
arising under a Management  
Agreement dated December 15,  
1979, between Debtor and

Secretary of the Interstate Commerce Commission  
February 20, 1980  
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Glenco Transportation Services, Inc., under a Tank Car Lease and Service Contract dated October 22, 1979, between Glenco Transportation Services, Inc. and Lubrizol Corporation, and under any and all Management Agreements and Leases now or hereafter existing on railroad tank car GLNX 1105.

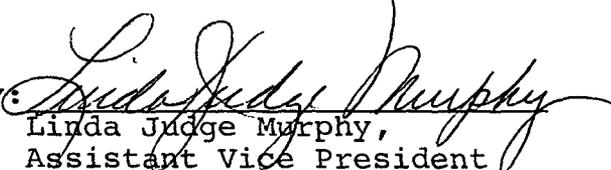
We also enclose our cashier's check in the amount of \$100.00 as fees for recordation of the aforesaid documents.

Please return the original of each document to Capital National Bank, 1300 Main Street, Houston, Texas, 77002, Attention: Ms. Linda Judge Murphy.

If you have any questions or comments, please call the undersigned at (713) 651-1100 or call Claude R. Treece of Sewell and Riggs at (713) 652-8700.

Very truly yours,

CAPITAL NATIONAL BANK

By:   
Linda Judge Murphy,  
Assistant Vice President

LJM:tr  
Enclosures

11545-11

RECORDATION NO. .... Filed 1425

FEB 28 1980 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT -- ACCOUNTS,  
CONTRACT RIGHTS AND GENERAL INTANGIBLES

HOUSTON, TEXAS

JOHN V. WHITE, a resident of Texas with his business address at 6006 Bellaire Boulevard, Bellaire, Harris County, Texas 77401, hereinafter called "Debtor," and CAPITAL NATIONAL BANK, a national banking association with its principal offices at 1300 Main at Polk, Houston, Harris County, Texas 77002, hereinafter called "Secured Party," agree as follows:

Section I. Creation of Security Interest.

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

Section II. Collateral.

The collateral ("Collateral") of this Security Agreement is all of the right, title and interest of Debtor in and to all accounts ("Accounts") and contract rights and general intangibles (collectively, "Contract Rights") of Debtor, including, without limiting the foregoing, all rights of Debtor in and under (i) that certain Management Agreement dated December 15, 1979, between Debtor and Glenco Transportation Services, Inc., (ii) that certain Tank Car Lease and Service Contract dated October 22, 1979, between Glenco Transportation Services, Inc. and Lubrizol Corporation; and (iii) any and all management agreements and leases now or hereafter existing on railroad tank car GLNX 1105; and all proceeds thereof.

Section III. Payment Obligations

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due from Debtor to Secured Party in any manner or at any time, including, without limitation, any sums due and owing pursuant to any promissory note or notes now or hereafter executed by Debtor to evidence indebtedness to Secured Party.

(2) All proceeds in the form of cash and negotiable instruments received by Debtor in payment of any of the assigned Accounts or Contract Rights will upon the occurrence of an Event of Default be held in trust for Secured Party and promptly paid over to Secured Party for application upon the indebtedness of Debtor to Secured Party, the order and method of application to be in the sole discretion of Secured Party.

(3) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum non-usurious rate of interest permitted by law with respect to Debtor.

(4) 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 Warranties, Representations and Agreements.

Debtor warrants, represents and agrees that:

(1) The Collateral will meet the following requirements continuously from the time each part of the Collateral comes into existence until it is collected in full:

(a) The Account or Contract Right is not subject to any prior or subsequent assignment, claim, lien or security interest other than that of Secured Party.

(b) The Account or Contract is not subject to any set off, counterclaim, defense, allowance or adjustment other than discounts for prompt payment shown on the invoice, and is not subject to dispute, objection or complaint.

(2) Debtor's only place of business is that appearing at the beginning of this agreement. Debtor will promptly notify Secured Party of any change of location of any place of business or of the addition of any new place of business.

(3) 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.

(4) Except for the security interest granted in this Security Agreement, or as may otherwise exist in favor of Secured Party, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(5) In the event any goods, the sale or other disposition of which creates any Account or Contract Right which is included in the Collateral, are returned to Debtor for credit, Debtor hereby grants unto Secured Party a security interest in such goods.

(6) Without the prior written consent of Secured Party, Debtor will not acquire any inventory subject to any lien, encumbrance or security interest except in favor of Secured Party.

(7) The office where Debtor keeps its records concerning the Accounts and Contract Rights covered by this Security Agreement is the address set forth at the beginning of this Agreement.

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

(9) Debtor shall not submit or represent to Secured Party any Account or Contract Right as one against which loans may be made which does not meet every requirement in every respect prescribed by this Security Agreement.

(10) Debtor shall notify Secured Party promptly in writing when any Account or Contract Right against which a loan was or may be made under this Security Agreement ceases to meet any of the requirements of this Security Agreement.

(11) Debtor shall at all times keep complete and accurate books and records reflecting all facts concerning each Account and Contract Right, including those pertaining

to Debtor's warranties, representations and agreements under this Security Agreement, and make or allow Secured Party to make written designation on Debtor's books and records to reflect thereon the assignment to Secured Party of each Account or Contract Right covered by this Security Agreement.

(12) Upon demand of Secured Party, Debtor shall hold all proceeds received in payment of or on an Account or Contract Right, and shall hold all other Collateral of this Security Agreement, for or on behalf of Secured Party.

(13) Debtor shall not, voluntarily or involuntarily, subject the Collateral or its proceeds or allow the Collateral or its proceeds to be subjected to any interest of any transferee, buyer, secured party, encumbrancer or other third person, shall not modify the contract with the Account Debtor or diminish any security for an Account or Contract Right without giving Secured Party five days notice in advance in writing and without first receiving written consent from Secured Party.

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

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

#### 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) 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.

(2) Failure to pay any indebtedness of Debtor to Secured Party when the same shall become due.

(3) Failure to observe and comply with any of the warranties, representations and agreements set forth in Section IV hereof.

Section VI. Secured Party's Rights and Remedies.

A. Rights Exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claims or defenses he may have against Secured Party against the Assignee except those granted in this Security Agreement.

(2) Secured Party may call at Debtor's place or places of business during normal business hours 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 transaction between Debtor and Secured Party, and Debtor shall assist Secured Party in making any such inspection.

(3) Secured Party may subrogate to all of Debtor's interests, rights and remedies in respect to any Account or Contract Right.

(4) Secured Party may make any demand upon or give any notice to Debtor by its deposit in the mails or with a telegraph company, addressed to Debtor at Debtor's address shown at the beginning of this Security Agreement, or to the change of such address of which Debtor has last notified Secured Party in writing.

(5) 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 any expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the maximum rate of interest permitted by law with respect to Debtor.

(6) Secured Party may render and send to Debtor a statement of account showing loans made, all other charges, expenses and items chargeable to Debtor, payment made by Debtor against the loans, proceeds collected and applied to

the loans, other appropriate debits and credits, and the total of Debtor's indebtedness on the loans as of the date of the statement of account, and the statement of account shall be considered correct in all respects and accepted by and conclusively binding upon Debtor, except for specified objections which Debtor makes in writing within five days from the date upon which the statement of account is sent.

B. Remedies in the Event of Default.

(1) Upon the occurrence of an Event of Default, or if Secured Party believes that the prospect of payment of any indebtedness secured hereby or the performance of this Agreement is impaired, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon 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. 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 re-taking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, and Debtor agrees to pay such expenses, plus interest thereon at the maximum non-usurious rate of interest permitted by laws of the State of Texas with respect to Debtor. Debtor shall remain liable for any deficiency.

(2) Upon written notice to Debtor Secured Party may notify or require Debtor to notify Account Debtors obligated on any or all of Debtor's Accounts or Contract Rights to make payment directly to Secured Party, and may take possession of all proceeds of any Accounts or Contract Rights in Debtor's possession.

(3) Secured Party may take any steps which Secured Party deems necessary or advisable to collect any or all Accounts, Contract Rights, proceeds or other Collateral, or to sell, transfer, compromise, discharge or extend the whole or any part of the Accounts, Contract Rights, proceeds or other Collateral, and apply the proceeds thereof to Debtor's indebtedness to Secured Party in accordance with this Agreement.

(4) After the occurrence of an Event of Default, Secured Party may receive, open and dispose of mail addressed to Debtor and execute, sign and endorse negotiable and other instruments for the payment of money, documents of title or other evidences of payment, shipment or storage for any form of Collateral or proceeds on behalf of and in the name of Debtor.

(5) 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.

(6) 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) 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.

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

EXECUTED this the 22 day of February, 1980.

SECURED PARTY:

DEBTOR:

CAPITAL NATIONAL BANK

BY: Linda Judge Murphy John V. White  
JOHN V. WHITE

THE STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Linda Judge Murphy, President of CAPITAL NATIONAL BANK, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 22nd day of February, 1980.

[Signature]  
Notary Public In and For  
Harris County, T E X A S

THE STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN V. WHITE, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 22nd day of February, 1980.

[Signature]  
Notary Public In and For  
Harris County, T E X A S