

C.I.T. CORPORATION

Industrial and Commercial Financing

No. **0-239A092**

Date **AUG 26 1980**

400 NORTH ST. PAUL STREET, DALLAS, TEXAS 75201

Fee \$ **50.00**

August 20, 1980

12132

ICC Washington, D. C.

RECORDATION NO. Filed 1426

Secretary of The Interstate Commerce Commission
c/o Interstate Commerce Commission
12th and Constitution Avenue N.W.
Washington, D. C. 20423

AUG 26 1980 -1 55 PM

INTERSTATE COMMERCE COMMISSION

Re: Martin Gas Sales, Inc.
Recording of Documents

Dear Sir:

Attached are copies of our Security Agreement, payment plan, evidence of ownership and notarized acknowledgement of signatures for the transaction regarding our above referenced customer. We are requesting that you record these documents. Outlined below is the information required under section 1116.4 [π 5204].

<u>Secured Party</u>	- C.I.T. Corporation 400 N. St. Paul Dallas, Texas 75201
<u>Debtor</u>	- Martin Gas Sales, Inc. 301 N. Kilgore Kilgore, Texas 75662
<u>Guarantor</u>	- Rubin S. Martin, Jr. 200 Horseshoe Drive Kilgore, Texas
<u>Description of Equipment</u>	- 10 - 34,000 gallon capacity Railroad Tank Cars, DOT - 105A300 W, non- coiled and insulated, mounted on and together with: 100-Ton Roller Bearing Railroad Trucks, S/N's OLYX 1958 Thru OLYX 1967.
<u>Manufacturer</u>	- Richmond Tank Car Company 1700 West Loop South Houston, Texas
<u>Vendor</u>	- Olympia Petroleum Corporation 1700 West Loop South Houston, Texas

FEE RECORDATION BR. AUG 26 1980 4 55 PM '80

Enclosed find our check number 013-024906 in the amount of \$50.00 for the recordation fee.

Please send a recorded copy to the undersigned at your earliest convenience. If you have any questions please call (214) 748-0361.

Sincerely,

A handwritten signature in black ink, appearing to read "C. L. Russell". The signature is written in a cursive style with a large, prominent initial "C".

C. L. Russell
Vice President

CLR/dm
Attachment

C.I.T. CORPORATION

Industrial and Commercial Financing

400 NORTH ST. PAUL STREET, DALLAS, TEXAS 75201

August 13, 1980

Interstate Commerce Commission
12th and Constitution Avenue N. W.
Washington, D.C. 20423

INTERSTATE
COMMERCE COMMISSION
(RECEIVED)

AUG 15 1980

3
ADMINISTRATIVE SERVICES
MAIL UNIT

12132

RECORDED NO. Filed 1426

AUG 20 1980 - 1 15 PM

RE: Martin Gas Sales, INC.
Kilgore, Texas 75662

INTERSTATE COMMERCE COMMISSION

Gentlemen:

Attached are copies of our security agreement, payment plan, and evidence of ownership on the above referenced for purposes of filing with your office.

If I may be of further assistance please contact me personally at (214) 748-0361.

Sincerely,



Larry Stibbens
Credit Department

LS:amd
att

RECEIVED
INTERSTATE COMMERCE
COMMISSION
AUG 18 7 02 AM '80
FINANCE SUPPORT
UNIT
OFFICE OF
PROCEEDINGS

Interstate Commerce Commission
Washington, D.C. 20423

9/10/80

OFFICE OF THE SECRETARY

C.L.Russell
CIT Corporation
400 North St.Paul Street
Dallas,Texas 75201

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 **8/26/80** at **1:55pm** , and assigned re-
recording number (s). **12132**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure (s)



Security Agreement

(Loan by C.I.T. or Dealer)

For Business Loans in all states except Louisiana.

1. Grant of Security Interest; Description of Collateral.

Debtor grants to Secured Party a security interest in the property described below, along with all present and future attachments and accessories thereto and replacements and proceeds thereof, including amounts payable under any insurance policy, all hereinafter referred to collectively as "collateral":

(Describe collateral fully including make, kind of unit, serial and model numbers and any other pertinent information.)

10 - 34,000 gallon capacity Railroad Tank Cars, Dot-105A300 W, non-coiled and insulated, mounted on and together with: 100-Ton Roller Bearing Railroad Trucks, S/N's OLYX 1958 Thru OLYX 1967. (Manufactured by Richmond Tank Car Company, Houston, Texas).

12132

RECORDATION NO. Filed 1425

AUG 26 1980 - 1 55 PM

INTERSTATE COMMERCE COMMISSION

2. What Obligations the Collateral Secures. RS Initial

Each item of the collateral shall secure not only the specific amount which Debtor promises to pay in Paragraph 3 below, but also all other present and future indebtedness or obligations of Debtor to Secured Party of every kind and nature whatsoever. Consequently, the security interest granted by Debtor to Secured Party shall continue effective irrespective of the payment of the amount in Paragraph 3, so long as there are any obligations of any kind, including obligations under guaranties or assignments, owed by Debtor to Secured Party; provided, however, upon any assignment of this security agreement, the assignee shall thereafter be deemed for the purpose of this paragraph the Secured Party under this security agreement.

3. Promise to Pay; Terms and Place of Payment.

Debtor promises to pay Secured Party the total sum of \$ 1,029,387.96, which represents principal and interest pre-computed over the term hereof, payable in 120 total number combined principal and interest payments of \$ see payment schedule attached. ~~each~~, commencing on 9-20, 19 80, and ~~XXXXXX~~ on the like date of each month thereafter until fully paid, provided, however, that the final payment shall be in the amount of the then unpaid balance of principal and interest. Payment shall be made at the address of Secured Party below or such other place as Secured Party may designate from time to time.

4. Late Charges.

Any instalment not paid when due shall, at the option of Secured Party, bear late charges thereon calculated at the highest rate permitted by the relevant law, but in no event more than 1-1/2% per month.

5. Use, Nature and Location of Collateral.

Debtor warrants and agrees that the collateral is to be used primarily for: business or commercial purposes (other than agricultural), agricultural purposes (see definition on reverse), or both agricultural and business or commercial purposes.

Debtor and Secured Party agree that regardless of the manner of affixation, the collateral shall remain personal property and not become part of the real estate. Debtor agrees to keep the collateral at 301 N. Kilgore, Kilgore, Gregg/Rusk, Texas
Street Address City County State

but upon prior written notice to Secured Party may change the location of the collateral within such State. Debtor will not remove the collateral from such State without the prior written consent of Secured Party (except that in the State of Pennsylvania, the collateral will not be removed from the above location without such prior written consent).

6. Special Provisions: (For use in ALABAMA, IDAHO, MARYLAND, NEW HAMPSHIRE, OREGON and WISCONSIN, see Special Instructions on reverse side.)

(The additional terms and conditions on the reverse side are a part of this Security Agreement.)

Dated: August 11, 19 80

Secured Party C.I.T. Corporation
Name of individual, corporation or partnership

By J. E. Henderson Title ASSISTANT SECRETARY
If corporation, give official title. If owner or partner, state which.

400 North St. Paul Street
Street Address

Dallas, Texas 75201
City State Zip Code

Debtor Martin Gas Sales, Inc.
Name of individual, corporation or partnership

By [Signature] Title President
If corporation, have signed by President, Vice-President or Treasurer, and give official title. If owner or partner, state which.

301 N. Kilgore, P. O. Drawer 191
Street Address

Kilgore, Gregg/Rusk, Texas 75662
City County State Zip Code

Partners' names

Home addresses

Partners' names

Home addresses

7. Debtor's Warranties and Representations.

Debtor warrants and represents:

- (a) that Debtor is justly indebted to Secured Party for the full amount of the foregoing indebtedness;
- (b) that except for the security interest granted hereby, the collateral is free from and will be kept free from all liens, claims, security interests and encumbrances;
- (c) that no financing statement covering the collateral or any proceeds thereof is on file in favor of anyone other than Secured Party, but if such other financing statement is on file, it will be terminated or subordinated;
- (d) that 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 agreement with respect to this transaction are and shall be true, correct, valid and genuine; and
- (e) Debtor has full authority to enter into this agreement and in so doing it is not violating its charter or by-laws, any law or regulation or agreement with third parties, and it has taken all such action as may be necessary or appropriate to make this agreement binding upon it.

8. Debtor's Agreements.

Debtor agrees:

- (a) to defend at Debtor's own cost any action, proceeding, or claim affecting the collateral;
- (b) to pay reasonable attorneys' fees and other expenses incurred by Secured Party in enforcing its rights after Debtor's default;
- (c) to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the collateral or this agreement, and this obligation shall survive the termination of this agreement;
- (d) that if a certificate of title be required or permitted by law, Debtor shall obtain such certificate with respect to the collateral, showing the security interest of Secured Party thereon and in any event do everything necessary or expedient to preserve or perfect the security interest of Secured Party;
- (e) that Debtor will not misuse, fail to keep in good repair, secrete, or without the prior written consent of Secured Party, and notwithstanding Secured Party's claim to proceeds, sell, rent, lend, encumber or transfer any of the collateral; and
- (f) that Secured Party may enter upon Debtor's premises or wherever the collateral may be located at any reasonable time to inspect the collateral and Debtor's books and records pertaining to the collateral, and Debtor shall assist Secured Party in making such inspection.

9. Insurance and Risk of Loss.

All risk of loss of, damage to or destruction of the collateral shall at all times be on Debtor. Debtor will procure forthwith and maintain fire insurance with extended or combined additional coverage on the collateral for the full insurable value thereof for the life of this security agreement plus such other insurance as Secured Party may specify, and promptly deliver each policy to Secured Party with a standard long form endorsement attached showing loss payable to Secured Party or assigns as respective interests may appear. Secured Party's acceptance of policies in lesser amounts or risks shall not be a waiver of Debtor's foregoing obligation.

10. Events of Default; Acceleration.

A very important element of this agreement is that Debtor make all its payments promptly as agreed upon. Also essential is that the collateral continue to be in good condition and adequate security for the indebtedness. The following are events of default under this agreement which will allow Secured Party to take such action under this Paragraph and under Paragraph 11 as it deems necessary:

- (a) any of Debtor's obligations to Secured Party under any agreement with Secured Party is not paid promptly when due;
- (b) Debtor breaches any warranty or provision hereof, or of any note or of any other instrument or agreement delivered by Debtor to Secured Party in connection with this or any other transaction;
- (c) Debtor dies, becomes insolvent or ceases to do business as a going concern;
- (d) it is determined that Debtor has given Secured Party materially misleading information regarding its financial condition;
- (e) any of the collateral is lost or destroyed;
- (f) a petition in bankruptcy or for arrangement or reorganization be filed by or against Debtor or Debtor admits its inability to pay its debts as they mature;
- (g) property of Debtor be attached or a receiver be appointed for Debtor;
- (h) whenever Secured Party in good faith believes the prospect of payment or performance is impaired or in good faith believes the collateral is insecure;
- (i) any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party or any guaranty obtained in connection with this transaction is terminated or breached.

If Debtor shall be in default hereunder, the indebtedness herein described and all other debts then owing by Debtor to Secured Party under this or any other present or future agreement shall, if Secured Party shall so elect, become immediately due and payable. This acceleration of all indebtedness, if elected by Secured Party, shall be subject to all applicable laws, including laws as to rebates and refunds of unearned charges.

11. Secured Party's Remedies After Default; Consent to Enter Premises.

Upon Debtor's default and at any time thereafter, Secured Party shall have all the rights and remedies of a Secured Party under the Uniform Commercial Code and any other applicable laws, including the right to any deficiency remaining after disposition of the collateral for which Debtor hereby agrees to remain fully liable. Debtor agrees that Secured Party, by itself or its agent, may without notice to any person and without judicial process of any kind, enter into any premises or upon any land owned, leased or otherwise under the real or apparent control of Debtor or any agent of Debtor where the collateral may be or where Secured Party believes the collateral may be, and disassemble, render unusable and/or repossess all or any item of the collateral, disconnecting and separating all collateral from any other property and using all force necessary. Debtor expressly waives all further rights to possession of the collateral after default and all claims for injuries suffered through or loss caused by such entering and/or repossession. Secured Party may require Debtor to assemble the collateral and return it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties.

Secured Party will give Debtor reasonable notice of the time and place of any public sale of the collateral or of the time after which any private sale or any other intended disposition of the collateral is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown herein at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling and the like shall include reasonable attorneys' fees (15% if not prohibited by law) and other legal expenses. Debtor understands that Secured Party's rights are cumulative and not alternative.

12. Waiver of Defaults; Agreement Inclusive.

Secured Party may in its sole discretion waive a default, or cure, at Debtor's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this security agreement or any related note, instrument or agreement shall bind Secured Party unless in writing signed by Secured Party. No oral agreement shall be binding.

13. Financing Statements.

If permitted by law, Debtor authorizes Secured Party to file a financing statement with respect to the collateral signed only by Secured Party, and to file a carbon, photograph or other reproduction of this security agreement or of a financing statement.

14. Miscellaneous.

Debtor waives all exemptions. Secured Party may correct patent errors herein and fill in such blanks as serial numbers, date of first payment and the like. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. Debtor acknowledges receipt of a true copy and waives acceptance hereof. If Debtor is a corporation, this security agreement is executed pursuant to authority of its Board of Directors. "Debtor" and "Secured Party" as used in this security agreement include the heirs, executors or administrators, successors or assigns to those parties. If more than one Debtor executes this security agreement, their obligations under this security agreement shall be joint and several.

NOTICE: Do not use this form for transactions for personal, family or household purposes. For agricultural transactions subject to Federal or State regulations, consult legal counsel to determine documentation requirements.

Agricultural purposes generally means farming, including dairy farming, but it also includes the transportation, harvesting, and processing of farm, dairy, or forest products if what is transported, harvested or processed is farm, dairy or forest products grown or bred by the user of the equipment itself. It does not apply, for instance, to a logger who harvests someone else's forest, or a contractor who prepares land or harvests products on someone else's farm.

SPECIAL INSTRUCTIONS— The notations to be typed in the Special Provisions section on the reverse side are shown in the applicable state pages of the Loans and Motor Vehicles Manual.

PAYMENT SCHEDULE "A"

Schedule "A" attached hereto and made a part hereof this Security Agreement dated 8/11/80, 1980, between C.I.T. Corporation, Secured Party, and Martin Gas Sales, Inc., as Debtor.

First	Year	12	Payments	at	\$15,475.14
Second	Year	12	Payments	at	\$14,411.43
Third	Year	12	Payments	at	\$12,352.66
Fourth	Year	12	Payments	at	\$11,323.27
Fifth	Year	12	Payments	at	\$10,293.88
Sixth	Year	12	Payments	at	\$ 8,235.10
Seventh	Year	12	Payments	at	\$ 5,146.94
Eighth	Year	12	Payments	at	\$ 4,117.55
Ninth	Year	12	Payments	at	\$ 3,088.16
Tenth	Year	12	Payments	at	\$ 1,338.20



This acknowledgement hereby becomes a part of that Security Agreement dated August 11, 1980 in the amount of \$1,029,387.96 between C.I.T. Corporation, Secured Party, and Martin Gas Sales, Debtor.

State Of Texas

County of Gregg

on this 11th day of August, 1980, before me personally appeared R. S. Martin, to me personally known, who being by me duly sworn, says that he is the President of Martin Gas Sales, Inc., and that said instrument was signed by him 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.

X Darla Martin
NOTARY PUBLIC

My Commission expires 2-14-84

State Of Texas

County of Dallas,

on this 11th day of August, 1980, before me personally appeared R. E. Hendon, to me personally known, who being by me duly sworn, says that he is the Assistant Secretary of C.I.T. Corporation, and that said instrument was signed by him 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.

Jan Linnaway
NOTARY PUBLIC

My Commission expires 9-30-80

BILL OF SALE

STATE OF TEXAS
COUNTY OF HARRIS

§
§ KNOW ALL MEN BY THESE PRESENTS:
§

THAT the undersigned, OLYMPIA PETROLEUM CORPORATION, a Texas Corporation, headquartered in Houston, Harris County, Texas ("Seller"), for and in consideration of the sum of SEVEN HUNDRED THIRTY-EIGHT THOUSAND NINE HUNDRED TEN and NO/100 DOLLARS (\$738,910.00) and other good and valuable considerations to Seller in hand paid by MARTIN GAS SALES, INC., a Texas corporation, headquartered in Kilgore, Texas, ("Purchaser"), the receipt and sufficiency of which consideration are hereby acknowledged, has TRANSFERRED, ASSIGNED and CONVEYED and does hereby TRANSFER, ASSIGN and CONVEY unto Purchaser Ten (10) 34,000-gallon nominal capacity tank cars, DOT-105A300W, non-coiled and insulated, 100-ton roller bearing trucks, bearing numbers OLYX 1958 thru 1967 (the "Tank Cars"), which Tank Cars are presently located in the State of Texas.

Seller hereby expressly represents that it has good and merchantable title to the Tank Cars

Seller makes no representation or warranty, expressed or implied, as to the value, condition, design, operation, merchantability or fitness in use of the Tank Cars, or as to the eligibility of the Tank Cars for any particular trade or purpose, or as to the absence of latent or other defects in the Tank Cars, or as to the Tank Cars' complying with the rules, regulations or requirements of any governmental laws, rules, regulations or requirements relating to the construction or equipping of the Tank Cars or any other representation or warranty, whatsoever, expressed or implied, with respect to the Tank Cars.

EXECUTED this 15 day of May, 1980.

SELLER:

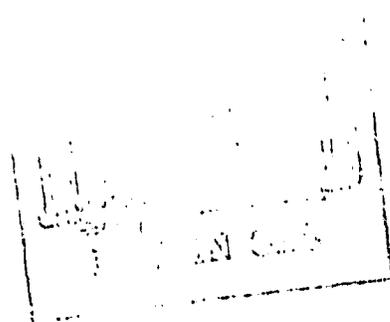
OLYMPIA PETROLEUM CORPORATION

By: M. H. Adams
Title: Vice President

PURCHASER:

MARTIN GAS SALES, INC.

By: [Signature]



7