

ANDREWS, KURTH, CAMPBELL & JONES

ATTORNEYS

2500 EXXON BUILDING

HOUSTON, TEXAS 77002

(713) 652-2500

1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 861-7400

CABLE: ANKUR HOU

TELEX: 79-1208

12288

RECORDATION NO. Filed 1425

OCT 9 1980 - 11 50 AM

October 6, 1980 INTERSTATE COMMERCE COMMISSION

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Room 1227
Washington, D.C. 20423

0-283A060
OCT 9 1980
Date _____
Fee \$ 50.00
ICC Washington, D. C.

OCT 9 11 45 AM '80
FEE OPERATION BR.
T.O.C.

Attention: Ms. Mildred Lee

Re: Security Agreement Filings for Crutcher Tank
Car Company/Southern National Bank of Houston

Dear Ms. Lee:

Enclosed please find for recording in the appropriate records of your office one executed Security Agreement from Crutcher Tank Car Company in favor of Southern National Bank of Houston covering the collateral therein referenced. Also enclosed is our check in the amount of \$50.00 to cover the cost of such action. After you have recorded this document, please return to the undersigned.

Thank you for your assistance in this matter. If you have need of any further information or fees in this regard, please contact the undersigned at your earliest convenience.

Very truly yours,



Mary M. Engler

Enclosures

ANDREWS, KURTH, CAMPBELL & JONES

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October 9, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Room 1227
Washington, D.C. 30423

Attention: Ms. Mildred Lee
Room 2303

Dear Ms. Lee:

Pursuant to our conversation of this morning, enclosed please find the additional copy of the Security Agreement which you requested. Thank you for notifying me so promptly about your need for a second copy of documents sent to your office for filing.

Very truly yours,

Mary M. Engler

Mary M. Engler

Enclosure

RECORDATION NO. *12288* Filed 1425

OCT 9 1980 11:50 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D.C. 20423

10/15/80

OFFICE OF THE SECRETARY

Mary M. Engler
Andrews Kurth, Campbell & Jones
2500 Exxon Building
Houston, Texas 77002

Dear **Ms. Engler:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **10/9/80** at **11:50am**, and assigned re-
recording number(s). **12288**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT - INVENTORY

| | | | | |
|--|---------------|--------------|--------------|---------------------------------------|
| <u>CRUTCHER TANK CAR COMPANY</u> | | | | <u>P. O. Box 982</u> |
| (NAME) | | | | (NO. AND STREET) |
| <u>Houston</u> | <u>Harris</u> | <u>Texas</u> | <u>77001</u> | , hereinafter called "Debtor", and |
| (CITY) | (COUNTY) | (STATE) | (ZIP CODE) | |
| <u>SOUTHERN NATIONAL BANK OF HOUSTON</u> | | | | <u>921 Main Street</u> |
| (NAME) | | | | (NO. AND STREET) |
| <u>Houston</u> | <u>Harris</u> | <u>Texas</u> | <u>77002</u> | , hereinafter called "Secured Party", |
| (CITY) | (COUNTY) | (STATE) | (ZIP CODE) | |

and from whom information concerning this security interest may be obtained at the address shown above, agree as follows:

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 INTERSTATE COMMERCE COMMISSION

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.

Joint Venture or W. Carey Crutcher of Houston, Harris County, Texas

The Collateral of this Security Agreement is Inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property now owned or hereafter acquired by Debtor and held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, and all additions and accessions thereto, and in contract rights with respect thereto and proceeds thereof. Without limitation, the term Inventory includes Collateral of the following description:

Fifty (50) 23,500-gallon, nominal capacity Richmond Tank Car Company tank cars, DOT No. 111A100W1; non-coiled, insulated and lined; 100-ton roller bearing trucks; bearing numbers GLNX 23500 through GLNX 23549, inclusive.

That certain Lease Agreement dated May 3, 1977 and amendment dated March 14, 1977 between Debtor as Lessor and GLENCO TRANSPORTATION SERVICES as Lessee, covering the above described tank cars.

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.

(2) Debtor shall account fully and faithfully to Secured Party for proceeds from disposition of the Collateral in any manner and shall pay or turn over promptly in cash, negotiable instruments, drafts, assigned accounts or chattel paper all the proceeds from each sale to be applied to Debtor's indebtedness to Secured Party, subject, if other than cash, to final payment or collection.

(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 rate of ten per cent (10%) per annum.

(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 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; and Debtor is the owner of the Collateral.

(3) If any Collateral is leased or held for lease to customers of Debtor and is of a type normally used in more than one State (such as automotive equipment, rolling stock, airplanes, road building equipment, commercial harvesting equipment, construction machinery and the like), Debtor's chief place of business is the address shown at the beginning of this agreement.

(4) The office where Debtor keeps its records concerning accounts and contract rights is _____

Town and Country Bank Building

(No. and Street)

Houston

Harris

Texas 77024

(City)

(County)

(State)

(5) The Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss and be stored at various locations in accordance with lease agreements between Debtor, Glenco Transportation Services and various third parties, including Oxirane Chemical Company, Inc.

where Secured Party may inspect it at any time, except for its temporary removal in connection with its ordinary use or unless Debtor notifies Secured Party in writing and Secured Party consents in writing in advance of its removal to another location.

(6) 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 sell the Collateral in the ordinary

course of business, subject to the following additional limitations, if any: _____

A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt. Until default, Debtor may also use and consume any raw materials or supplies, the use and consumption of which are necessary to carry on Debtor's business.

(7) Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of: (a) its address as shown at the beginning of this Security Agreement; (b) the location of its chief place of business as set forth in this Security Agreement; and (c) the location of the office where it keeps its records as set forth in this Security 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 agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the rate of ten per cent (10%) per annum.

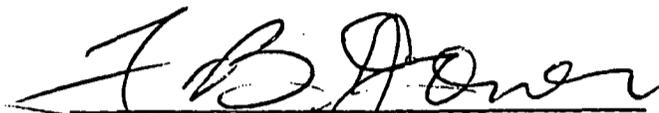
(9) Debtor will have and maintain insurance at all times with respect to all Collateral against risks of fire, theft and such other risks as Secured Party may require, including standard extended coverage, and in the case of motor vehicles, including collision coverage. Such insurance policies shall 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. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for the Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn 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.

(10) Debtor shall, at its 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.

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Wm. G. Hogue, Jr., Secretary-Treasurer of Crutcher Tank Car Company, known to me to be the person whose name is subscribed to the foregoing instrument, and he 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 company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29th day of September, 1980.



Notary Public in and for
Harris County, Texas

F. B. JONES

PLEASE RETURN TO:
THOMAS J. FERICH
ANDREWS KURTH CAMPBELL & JONES
2500 EXXON BUILDING
HOUSTON, TEXAS 77002