

11390 *A*  
RECORDATION NO. \_\_\_\_\_ Filed 1425  
JAN 18 1980 - 3 15 PM

WESTERN BANK  
P. O. Box 22225  
Houston, Texas 77027

0-C19AC93  
JAN 18 1980  
Date  
Fee \$ 100.00

INTERSTATE COMMERCE COMMISSION

11390 CC Washington, D. C.

RECORDATION NO. \_\_\_\_\_ Filed 1425

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

JAN 18 1980 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

Gentlemen:

In accordance with Section 20(c) of the Interstate  
Commerce Act, we enclose for filing with the Commission  
an original and two counterparts each of the following  
documents:

1. Security Agreement and Chattel Mortgage

Debtor: William W. Akers and  
Lucille W. Akers  
6724 Buffalo Speedway  
Houston, Texas 77005

Secured Party: Western Bank  
P. O. Box 22225  
Houston, Texas 77027

Collateral: Two (2) Railroad Tank Cars  
described as follows:  
  
33,000 gallon capacity  
DOT 112J340W tank cars  
NATX 33818, to be changed  
to TCSX 216; NATX 33855, to  
be changed to TCSX 217

2. Security Agreement - Assignment of Accounts

Debtor: William W. Akers and  
Lucille W. Akers  
6724 Buffalo Speedway  
Houston, Texas 77005

Secured Party: Western Bank  
P. O. Box 22225  
Houston, Texas 77027

INTERSTATE  
COMMERCE COMMISSION  
JAN 18 1980  
ADMINISTRATIVE SERVICES  
MAIL UNIT

Secretary of the Interstate  
Commerce Commission  
Page Two

Collateral: All right, title and interest  
in and to accounts and contracts'  
rights arising under a Management  
Agreement between Debtor and Tank  
Car Services, Inc. dated the 18th  
day of December, 1979, and all  
leases now or thereafter existing  
relating to the railroad tank cars  
described in No. 1 above.

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 Western  
Bank, P. O. Box 22225, Houston, Texas 77027, Attention: Wm.  
Kirby Ansel.

If you have any questions or comments, please call the  
undersigned collect at (713)622-7500 or call Elizabeth M.  
Hay of Sewell & Riggs, collect at (713)652-8700.

Very truly yours,

WESTERN BANK

By Wm. Kirby Ansel  
Wm. Kirby Ansel  
Senior Vice-President

WKA:jab

11390 *A*

RECORDATION NO. .... Filed 1425

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT --- ASSIGNMENT OF ACCOUNTS

WILLIAM W. AKERS and LUCILLE W. AKERS, 6724 Buffalo Speedway, Houston, Texas 77005, hereinafter called "Debtor," and WESTERN BANK, P. O. Box 22225, Houston, Texas 77027, 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 (i) that certain promissory note ("Note") dated 1-15-80 <sup>ZWA</sup> <sub>WWA</sub>, in the original principal amount of \$40,000.00, executed by the Debtor, payable to the order of Secured Party, bearing interest and being payable in the manner described therein, and (ii) all renewals and extensions of the Note.

Section II. Collateral.

The Collateral of this Security Agreement is all of the right, title and interest of Debtor in and to (i) the Accounts and Contract Rights arising under the Management Agreement between Debtor and Tank Car Services, Inc., a Texas corporation ("Company"), effective as of the 18th day of December, 1979 ("Management Agreement"), (ii) all leases ("Lease Agreements") now or hereafter existing, including but not limited to leases between Company as Lessor and other entities as Lessee, on the railroad tank cars owned by Debtor, described more fully on Schedule "A" attached hereto

and made a part hereof, (iii) all of Debtor's right to receive and collect all per diem mileage on payments now or hereafter to become payable to the Debtor with respect to such railroad tank cars, and (iv) the proceeds of such Collateral. Lease Agreements in effect at the date of this Agreement are described more fully on Schedule "B" and Debtor will provide Secured Party with (i) quarterly reports of current leases within fifteen (15) days of the end of each calendar quarter and (ii) report of current leases upon the request of Secured Party.

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 the Note or any other 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 Note or other promissory note or notes and the terms of this Security Agreement.

(2) All proceeds in the form of cash and negotiable instructions for the payment of money received by Debtor in payment of any of the assigned Accounts or Contract Rights will 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. It is the intention of the Debtor and the Secured Party to contract in strict compliance with the usury laws of the State of Texas and/or the Federal law, whichever is applicable, from time to time in effect. In furtherance thereof, the Debtor and the Secured Party stipulate and agree that none of the terms and provisions contained in this Agreement or the Note shall ever be construed to create a contract to pay interest for the use, forbearance or detention of money at a rate in excess of the maximum non-usurious interest rate permitted to be charged by the laws of the State of Texas and/or the Federal law, whichever is applicable, from time to time in effect. In the event the Secured Party shall collect monies which are deemed to constitute interest which would otherwise increase the effective rate on the Note to a rate in excess of the maximum non-usurious interest rate permitted to be charged by the laws of the State of Texas and/or the Federal law then in effect, all such sums deemed to constitute interest in excess of the maximum non-usurious interest rate shall be immediately returned to the Debtor upon such determination.

(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

Warranties.

(1) The [redacted] meet the following requirements continuously until each part of the Collateral comes into existence and is collected in full:

(a) The [redacted] Contract Right will be due and payable not more than [redacted] days from the date of the invoice or agreement evidencing the same.

(b) The Account or Contract Right arose or will arise from the performance of the duties and obligations of the Lease Agreements by Company and the duties and obligations of the Management Agreement between Company and Debtor, which duties and obligations have been or will be fully and satisfactorily performed by Company or Debtor or will be caused to be fully and satisfactorily performed by Debtor.

(c) 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.

(d) 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, or to dispute, objection or complaint by the Account

Debtor concerning his liability on the Account, and the goods, the sale of which gave rise to the Account, have not been returned, rejected, lost or damaged.

(e) No notice of bankruptcy, insolvency, or financial embarrassment of Account Debtor has been received by Debtor.

(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 in all material respects.

(4) 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.

(5) The office where Debtor keeps its records concerning the Accounts and Contract Rights covered by this Security Agreement is the address stated on the first page of this Agreement.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

(10) Until paid over to Secured Party in accordance with the provisions of Section III, 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 separate and apart from and shall not commingle the proceeds or Collateral with any of Debtor's funds or property.

(11) 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.

(12) 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.

(13) 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.

(14) In the event any Account shown on the schedule or schedules attached hereto is not paid in full within ten days after the due date shown for such Account, Debtor shall immediately pay Secured Party the full amount then owing on such Account.

(15) If Secured Party should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value then Secured Party may call for additional Collateral satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional security may be oral or by telegram or by United States mail addressed to the address of Debtor shown at the beginning of this agreement.

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) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note secured hereby.

(3) Any warranty, representation or statement contained in this Security Agreement made or furnished to

Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any respect when made or furnished or becomes false in any respect while any indebtedness secured hereby is outstanding.

(4) 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.

(5) Debtor's insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor;

(6) Any statement of the financial condition of Debtor to Secured Party submitted to Secured Party proves to be false.

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) 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 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) Upon the occurrence of an Event of Default or at any time thereafter, 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) In protecting, exercising or assuring its interests, rights and remedies under this Security Agreement Secured Party may 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 call at Debtor's place or places of business at intervals to be determined by Secured Party and, 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.

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

(7) 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.

(8) 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.

(9) 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 fifteen 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 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 which is reasonably convenient to both parties. 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 retaking, 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 law with respect to Debtor. Debtor shall remain liable for any deficiency.

(2) 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.

(3) 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) "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 substantative 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 as of the 15<sup>th</sup> day of JAN., 1980.

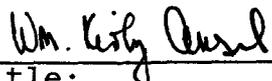
Debtor:

  
WILLIAM W. AKERS

  
LUCILLE W. AKERS

Secured Party:

WESTERN BANK

BY   
Title: Senior Vice President



SCHEDULE A

Two (2) Railroad Tank Cars described as follows:

Two (2) D.O.T. 112J340W, nominal 33,000  
gallon tank cars, bearing the following  
numbers:

NATX 33818, to be changed to TCSX 216

NATX 33855, to be changed to TCSX 217

SCHEDULE B

All Tank Cars are subject to a Lease in favor of Texas Olefins, Inc.

EMH 2/B

1/11/80

Akers SA-Asgmt of Accts

jf