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11475
RECORDATION NO. Filed 1425

G-33,179
SAMUEL W. RIZZO
(Tank Cars)

February 5, 1980

11475-A FEB 8 1980-1 35 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. Filed 1425
FEB 8 1980-1 35 PM
INTERSTATE COMMERCE COMMISSION

0-039A073
No.
Date FEB 8 1980
Fee $ 100.00
ICC Washington, D. C.

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

Gentlemen:

In accordance with the provisions of Section 11303 of Title 49 of the United States Code and Section 1116 of Title 49 of the Code of Federal Regulations, there are submitted herewith for filing in recordation two Security Agreements regarding railroad tank cars used or intended for use in connection with interstate commerce as follows: three (3) executed counterparts of a Security Agreement dated as of January 28, 1980 by and between Parkway National Bank and Samuel W. Rizzo; and three (3) executed counterparts of a Security Agreement dated as of January 28, 1980 by and between Parkway National Bank and Samuel W. Rizzo, Trustee F/B/O Rizzo Children UTA 1/23/73.

Also enclosed is a check in the amount of $100.00 in payment of the recordation fee.

The address of the mortgagors, Samuel W. Rizzo, individually and as trustee, is in each case 1929 Allen Parkway, P. O. Box 13688, Houston, Harris County, Texas 77019, and the address of the mortgagee in each case, Parkway National Bank, is 1929 Allen Parkway, Houston, Harris County, Texas 77019. Please return two original counterparts of each of the enclosed instruments, with filing data noted

INTERSTATE COMMERCE COMMISSION
4 FEB 8 1980
ADMINISTRATIVE SERVICES
MAIL UNIT

thereon, to the undersigned. If you need any additional information with regard to these instruments or this transaction, please contact the undersigned. Thank you kindly for your attention to this matter.

Very truly yours,

William F. Stutts, Jr.

WFS:134
Encl.

11476-A
RECORDATION NO. Filed 1425
FEB 8 1980 - 1 35 PM
INTERSTATE COMMERCE COMMISSION

PARKWAY NATIONAL BANK

SECURITY AGREEMENT - TANK CARS

Samuel W. Rizzo, Trustee F/B/O the Rizzo Children (as hereinafter defined) UTA 1-23-73, but not otherwise (hereinafter called "Debtor"), and Parkway National Bank, a national banking association, having its principal office at 1929 Allen Parkway, Houston, Harris County, Texas (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 of Debtor to Secured Party under that certain note of Debtor of even date herewith (the "Note"), in the original face amount of Fifteen Thousand Dollars ($15,000) and all renewals, extensions, refundings and modifications thereof (hereinafter called the "Indebtedness").

SECTION II. COLLATERAL

The collateral of this Security Agreement shall hereby be referred to as Equipment ("Equipment") as defined in this Section II or as the Collateral ("Collateral"):

Equipment shall mean one (1) 11,000 gallon nominal capacity tank car, DOT 111A100W3, coiled and insulated, bearing Registration Number GLNX 1114. The Collateral shall include the Equipment and all additions and accessions thereto, and all right to receive and collect all rentals, liquidated damages, proceeds of sale, all per diem mileage or other payments now or hereafter to become payable under leases permitted hereby or with respect to such Equipment and all accounts, chattel paper, and general intangibles with respect thereto including, without limitation, all right, title, and interest of Debtor in and to that certain Management Agreement by and between Debtor and Glenco Transportation Services, Inc., dated December 1, 1979 ("Management Agreement"). The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Equipment in any manner not specifically authorized by this agreement.

SECTION III. PAYMENT OBLIGATIONS OF DEBTOR.

(1) Debtor shall pay to Secured Party the Indebtedness in accordance with the terms of the promissory note evidencing the Indebtedness and in accordance with the terms of this Security Agreement.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the same rate of interest as established in the Note with respect to the Indebtedness.

(3) Subject to the provisions of Section VIB(1) of this Security Agreement, Debtor shall pay the entire unpaid Indebtedness of Debtor to Secured Party, upon Debtor's default under Section V of this Security Agreement, unless such default arises under Paragraph (2), (6) or (7) of Section V of this Security Agreement and is fully cured within fifteen (15) days following the issuance of notice of default under Section VIB(1) of this Security Agreement, or unless such default arises under Paragraph (1) of Section V of this Security Agreement and is fully cured within five (5) days following the issuance of notice of default under Section VIB(1) of this Security Agreement.

(4) To the extent permitted by applicable law, and except as otherwise set forth in this Security Agreement, Debtor shall indemnify Secured Party and hold Secured Party harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses, and disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Secured Party, in any way relating to or arising out of the Management Agreement or any of the transactions contemplated therein, limited, however, to the extent that any such indemnified liabilities result, directly or indirectly, from any claims made or actions, suits, or proceedings commenced by or on behalf of any person other than Secured Party; provided that Secured Party shall not be indemnified hereunder for its own negligence or willful misconduct or for any liability to Debtor resulting or arising, directly or indirectly from or in any way relating to any claim, action, suit or proceeding instituted by or on behalf of

Debtor against Secured Party resulting from any breach by Secured Party of any provision of this Security Agreement or any of the transactions contemplated herein.

SECTION IV. DEBTOR'S WARRANTIES, REPRESENTATIONS AND AGREEMENTS

Debtor warrants, represents and agrees that:

(1) No Interstate Commerce Commission filing or financing statement or other filing covering the Collateral or its proceeds is on file in any public office. Except for the security interest granted in this Security Agreement and the encumbrance created by the terms of the Management Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(2) Debtor's location is 1929 Allen Parkway, Houston, Harris County, Texas, and his mailing address is P.O. Box 13688, Houston, Texas 77019. Debtor's location is: (a) Debtor's place of business if he has only one or (b) Debtor's chief executive office if he has more than one place of business.

(3) Debtor will notify Secured Party in writing of any addition, change and/or discontinuance of (i) his address as shown at the beginning of the Security Agreement; (ii) his location as set forth in this Security Agreement; and/or (iii) his name or his identity.

(4) Debtor shall pay or shall cause Glenco Transportation Services, Inc. to 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, provided, however, that Secured Party will not pay any such tax, charge, lien or assessment so long as Debtor is contesting in good faith and with due diligence any such taxes, charges, liens and assessments asserted against the Collateral provided that the proceedings brought in such contest shall suspend or stay the collection of such taxes, charges, liens or assessments and neither the Collateral nor any part thereof shall be subjected to any sale, foreclosure or forfeiture.

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 same rate of interest as established in the Note with respect to the Indebtedness.

(5) Debtor will have and maintain or cause to be maintained at all times insurance with respect to all Equipment covering physical loss or damage from any cause whatsoever (subject to such exclusions as are standard in such insurance of the type generally in use), in the amount of at least $14,000 per unit of Equipment, with liability insurance of at least $100,000 per occurrence. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party, and shall contain a clause requiring the insurer to give at least 10 days' notice of cancellation. All drafts or instruments of any kind evidencing payment under any such insurance policies which come into the possession of Debtor shall be immediately delivered to Secured Party. No such policies shall be payable to any party other than Secured Party, Debtor or Glenco Transportation Services, Inc. Secured Party may act as attorney-in-fact for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral and shall 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. In the event of loss, theft or destruction of or substantial damage to any unit of the Equipment, and upon receipt from the Debtor of an amount equal to at least the amount resulting from the calculation described hereinbelow, the Secured Party shall release such lost, stolen, destroyed or damaged unit from the Collateral and shall remove its security interest therein. The quotient obtained by (a) dividing the amount of the Indebtedness outstanding on the date upon which the release is being calculated ("X") by the number of tank cars which are collateral on such date ("W"), (b) shall be multiplied by the number of units to be released on the date such calculation is made ("U"). Thus, the entire formula may be stated mathmatically as follows:

$$\frac{XU}{W}$$

Upon such release, Secured Party shall, in addition, surrender to Debtor any rights to payment under the insurance described above insofar as such rights to payment relate to the lost, stolen, destroyed or damaged unit or units.

(6) The Equipment.

(a) The Equipment will be used primarily for business use and for leasing by Glenco Transportation Services, Inc. pursuant to the Management Agreement or to responsible and credit-worthy third parties approved by Secured Party, unless Secured Party consents in writing to another use.

(b) The Equipment will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use as described in Section IV(6)(a) above, and will not be used in violation of any statute or ordinance or as part of a unit-train.

(c) The Equipment will not be sold, transferred or disposed of by Debtor or be subjected to any unpaid charge, including rent and taxes, or to any subsequent interest of a third person voluntarily created or suffered by Debtor, except the Management Agreement and the Lease referenced in Section II above and leases referenced in Section IV(6)(a) above, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge, or subsequent interest. In the event of sale, transfer or disposition of any one or more units of Equipment, the Bank shall release such sold, transferred, or disposed unit from the Collateral, and shall remove its security interest therein, upon receipt of an amount calculated as set forth in Section IV(5) above.

(7) Debtor shall sign and execute alone or with Secured Party any Financing Statement or other document or procure any document necessary to protect the security

interest under this Security Agreement against the rights or interests of third persons.

(8) Debtor will not lend, rent, lease or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds from any disposition thereof, free from unpaid charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party.

(9) Debtor will forward to Secured Party a copy of any notice given to or by Debtor with respect to any default by Debtor or Glenco Transportation Services, Inc. under the terms of the Management Agreement. No changes will be made in the terms and provisions of the Management Agreement without the prior written consent of the Secured Party.

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 performance of any of the obligations, covenants, terms or provisions contained in this Security Agreement or in any note secured hereby.

(3) Any warranty, representation, or statement contained in this Security Agreement proves to have been materially false when made.

(4) Uninsured loss, theft, substantial damage, or destruction to or of any material part of the Collateral, provided, however, that if and to the extent that the Secured Party releases such lost, stolen, damaged or destroyed part of the Collateral pursuant to Section IV(5) of this Security Agreement, such loss, theft, substantial damage, or destruction shall not operate as a default hereunder.

(5) Sale (except as authorized in this Security Agreement) or encumbrance of any material part of the Collateral, or the making of any levy, seizure or attachment thereof.

(6) Debtor's insolvency or business failure; 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.

(7) The occurrence of any event which under the terms of any evidence of indebtedness, indenture, loan agreement, security agreement or similar instrument permits the acceleration of maturity of any indebtedness of Debtor to Secured Party, or to others than Secured Party.

SECTION VI. SECURED PARTY'S RIGHTS AND REMEDIES.

A. Rights Exclusive of an Event of Default.

(1) Secured Party may inspect the Collateral and Debtor's books and records pertaining to the Collateral from time to time during ordinary business hours, and Debtor shall assist Secured Party in making any such inspection.

(2) Secured Party may call at Debtor's location or place or places of business at reasonable intervals and inspect, check, and make copies of and extracts from the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral, and Debtor shall assist Secured Party in making any such inspection.

B. Remedies in the Event of Default.

(1) Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party may, upon fifteen (15) days' written notice of default to Debtor, 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, and as otherwise permitted by law, and in addition thereto and cumulative thereof, the following rights: 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 threatens to decline speedily in value or is of a type customarily sold in 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 of sale 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 ten (10) days before the time of 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 same rate of interest as established in the Note with respect to the Indebtedness upon fifteen (15) days' prior written notice from Secured Party. Nothing in this paragraph shall prevent Debtor from curing any curable default prior to the expiration of fifteen (15) days immediately following the issuance of notice of default by Secured Party, but unless all existing defaults have been fully cured as of the end of such fifteen (15) day period, Secured Party may proceed forthwith, without further notice of default, to exercise its rights and remedies referenced hereinabove.

(2) Secured Party may notify Glenco Transportation Services, Inc. or the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness remitted by Debtor to Secured Party as proceeds, or in which Secured Party may have a security interest under this Security Agreement, to pay Secured Party directly.

(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 and administrators, successors, representatives, receivers, trustees and assigns of those parties.

(2) As used herein "Rizzo Children" shall mean Samuel Cozimo Rizzo, Daniel Chester Rizzo, David William Rizzo and Mary Elizabeth Rizzo, minor children of Samuel W. Rizzo and the beneficiaries of certain trusts created by instruments dated January 23, 1973, executed by Lucille Rizzo as Trustor.

(3) 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.

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

(5) If any provision of any of this Security Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable; this Security Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Security Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

(6) Any and all deposits or other sums at any time credited by or due from Secured Party to Debtor shall at all times constitute additional security for the Indebtedness and may be set off against any obligation at

any time whether or not they are then due or other security held by Secured Party is considered by Secured Party to be adequate. At any time after default, any and all instruments, documents, policies and certificates of insurance, securities, goods, accounts, choses in action, chattel paper, general intangibles, cash, property and the proceeds thereof owned by Debtor or in which Debtor has an interest which after default hereunder are at any time in possession or control of Secured Party or in transit by mail or carrier to or from Secured Party or in the possession of a third party acting for Secured Party's benefit, without regard to whether Secured Party receives the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, shall constitute additional security for obligations of Debtor and may be applied at any time toward Indebtedness which is then due whether by acceleration or otherwise.

EXECUTED as of this 28th day of January, 1980.

DEBTOR:

Samuel W. Rizzo, Trustee

Samuel W. Rizzo, Trustee, F/B/O
The Rizzo Children UTA 1-23-73,
but not otherwise

SECURED PARTY:

PARKWAY NATIONAL BANK

By Paul W. Lay

STATE OF TEXAS §
§ ss.:
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Samuel W. Rizzo, Trustee F/B/O The Rizzo Children UTA 1-23-73, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office, this the 4th day of February, 1980.

Carol A. Harris
Notary Public in and for
Harris County, Texas

My commission expires April 1981

STATE OF TEXAS §
§ ss.:
COUNTY OF HARRIS §

On this 4th day of February, 1980, before me personally appeared PAUL W. LONG, to me personally known, who being by me duly sworn, says that he is a Vice President of Parkway National Bank, a national banking association, that the foregoing instrument was signed by him on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was for the purposes and consideration therein expressed and was the free act and deed of said association.

Carol A. Harris
Notary Public in and for
Harris County, Texas

My commission expires April