



12385
OF HIGHLAND VILLAGE
RECORDATION NO. Filed 1425

Stephen E. Sparks
Senior Vice President

0-308A120

No.

NOV 3 1980 -3 25 PM

Date NOV 3 1980

INTERSTATE COMMERCE COMMISSION

Fee \$ 50.00

October 27, 1980

ICC Washington, D. C.

Secretary of Interstate
Commerce Commission
12th & Constitution Avenue NW
Room 1227
Washington, D.C. 20423

Dear Sir:

Please find enclosed three original counterparts of a Security Agreement between Pan Tech Engineering Corporation and First City Bank of Highland Village and a cashier's check in the amount of \$50.00 for payment of recordation fees. We ask that you record this document pursuant to §1116 of Title 49 of the Code of Federal Regulations. Please note that the principal debtor and mortgagor is Pan Tech Engineering Corporation, the mortgagee is First City Bank of Highland Village and the collateral pledged consists of one 34,000 gallon general purpose tank car, DOT105A300W, registration number LAMX79.

Please return an original counterpart to me in care of First City Bank of Highland Village, 2900 Wesleyan, Houston, Texas 77027. If you need additional information with regard to these documents or this transaction, please do not hesitate to contact me.

Thank you kindly for your attention to this matter.

Sincerely yours,

Stephen E. Sparks
Senior Vice President

NOV 3 9 10 AM '80
FEE OPERATION BR.
I.C.C.

SES:kdw

cc: Pan Tech Engineering Corp.
3230 Mercer St.
Houston, TX 77027

Interstate Commerce Commission
Washington, D.C. 20423

11/5/80

OFFICE OF THE SECRETARY

Stephen E. Sparks
Senior Vice President
First City Bank of Highland Village
2900 Wesleyan
Houston, Texas 77027

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 **11/3/80** at **3:25pm**, and assigned re-
recording number(s). **12385**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

SECURITY AGREEMENT

Date: October 1, 1980

A. PARTIES

- 1. Debtor (whether one or more): Pan Tech Engineering Corporation
- 2. Address: 3230 Mercer Street Houston, Texas (Harris County) 77027
(Residence—show county)
- 3. Bank: FIRST CITY BANK OF HIGHLAND VILLAGE
- 4. Address: 4030 WESTHEIMER, P. O. BOX 22205, HOUSTON, TEXAS 77027
(Information concerning this security interest may be obtained at the office of the bank shown above.)

B. AGREEMENT

Subject to the applicable terms of this security agreement, debtor grants to bank a security interest in the collateral to secure the payment of the obligation.

C. OBLIGATION

- 1. The following is the obligation secured by this agreement:
 - a. All past, present, and future advances, of whatever type, by bank to debtor, and extensions and renewals thereof.
 - b. All existing and future liabilities, of whatever type, of debtor to bank, and including (but not limited to) liability for overdrafts and as endorser and surety.
 - c. All costs incurred by bank to obtain, preserve, and enforce this security interest, collect the obligation, and maintain and preserve the collateral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, feed, rent, storage costs, and expenses of sale.
 - d. Interest on the above amounts, as agreed between bank and debtor, or if no such agreement, at the maximum rate permitted by law.
- 2. List notes included in the obligation as of the date of this agreement, all such notes shall bear a legend substantially as follows: "This note evidences a loan pursuant to and is entitled to the provisions of the Security Agreement dated October 1, 1980, executed by the Debtor in favor of the Bank."

Date	Amount
October 1, 1980	\$67,050.00

D. COLLATERAL

- 1. The security interest is granted in the following collateral:
 - a. Describe collateral. Include the following information:
 - (1) For crops; oil, gas or other minerals to be extracted; timber to be cut; and fixtures (goods to be affixed to real estate): describe real estate concerned.
 - (2) If debtor's residence is outside the state: give location of consumer goods, farm products, and farm equipment, and if collateral includes accounts arising from the sale of farm products, give location of products sold.
 - (3) If this is a purchase money security interest in farm equipment: give purchase price of each item.

One (1) 34,000 gallon capacity tank car DOT105A300W, non-coiled and insulated 100-ton roller bearing trucks, registration #LAMX79 and all additions and accessions thereto, rentals and profits therefrom; all accounts, chattel paper and general intangibles with respect thereto and to that certain agreement between Debtor and Lamco, Inc. dated September 18, 1980, and all right to receive and collect all rentals, liquidated damages, proceeds of sale, all per diem mileage or payments now or hereafter to become payable under such lease or with respect to such equipment. 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.

- b. All additions, substitutes and replacements for, accessions and attachments to, and tools, parts, and equipment used in connection with, the above property; and the increase and unborn young of animals and poultry.
- c. All property similar to the above hereafter acquired by debtor.
- 2. Classify goods under (one or more of) the following Uniform Commercial Code categories:
 - Consumer goods
 - Farm products
 - Equipment (business use)
 - Inventory
 - Equipment (farm use)
- 3. If this block is checked, this is a purchase money security interest, and debtor will use funds advanced to purchase the collateral, or bank may disburse funds direct to the seller of the collateral, and to purchase insurance on the collateral.
If any of the collateral is accounts or contract rights, give the location of the office where the records concerning them are kept (if other than debtor's address in Item A2).

- 5. If this security agreement is to be filed as a financing statement, check the appropriate block if
 - proceeds
 - products
 are covered for financing statement purposes. Coverage of proceeds or products for financing statement purposes is not to be construed as giving debtor any additional rights with respect to the collateral, and debtor is not authorized to sell, lease, or otherwise transfer, furnish under contracts of service, manufacture, process, or assemble the collateral except in accordance with the provisions of this security agreement.

E. AGREEMENTS OF DEBTOR

1. Debtor will: take adequate care of the collateral; insure the collateral for such hazards and in such amounts as bank directs, policies to be satisfactory to bank; pay all costs necessary to obtain, preserve, and enforce this security interest, collect the obligation, and preserve the collateral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, feed, rent, storage costs, and expenses of sale; furnish bank with any information on the collateral requested by bank; allow bank to inspect the collateral, and inspect and copy all records relating to the collateral and the obligation; sign any papers furnished by bank which are necessary to obtain and maintain this security interest; assist bank in complying with the Federal Assignment of Claims Act, where necessary to enable bank to become an assignee under such Act; take necessary steps to preserve the liability of account debtors, obligors, and secondary parties whose obligations are part of the collateral; transfer possession of all instruments, documents, and chattel paper which are part of the collateral to bank immediately, or as to those hereafter acquired, immediately following acquisition; perfect a security interest (using a method satisfactory to bank) in goods covered by chattel paper which is part of the collateral; notify bank of any change occurring in or to the collateral, or in any fact or circumstances warranted or represented by debtor in this agreement or furnished to bank, or if any event of default occurs.
2. Debtor will not (without bank's consent): remove the collateral from the locations specified herein; allow the collateral to become an accession to other goods; sell, lease, otherwise transfer, manufacture, process, assemble, or furnish under contracts of service, the collateral, except goods identified herein as inventory; allow the collateral to be affixed to real estate, except goods identified herein as fixtures.
3. Debtor warrants: no financing statement has been filed with respect to the collateral, other than relating to this security interest; debtor is absolute owner of the collateral, and it is not encumbered other than by this security interest (and the same will be true of collateral acquired hereafter when acquired); none of the collateral is affixed to real estate or an accession to other goods, nor will collateral acquired hereafter be affixed to real estate or an accession to other goods when acquired, unless debtor has furnished bank the consents or disclaimers necessary to make this security interest valid against persons holding interests in the real estate or other goods; all account debtors and obligors, whose obligations are part of the collateral, are to the extent permitted by law prevented from asserting against bank any claims or defenses they have against sellers.

F. RIGHTS OF BANK

Bank may, in its discretion, before or after default: terminate, on notice to debtor, debtor's authority to sell, lease, otherwise transfer, manufacture, process or assemble, or furnish under contracts of service, inventory collateral, or any other collateral as to which such permission has been given; require debtor to give possession or control of the collateral to bank; endorse as debtor's agent any instruments or chattel paper in the collateral; notify account debtors and obligors on instruments to make payment direct to bank; contact account debtors directly to verify information furnished by debtor; take control of proceeds and use cash proceeds to reduce any part of the obligation; take any action debtor is required to take or otherwise necessary to obtain, preserve, and enforce this security interest, and maintain and preserve the collateral, without notice to debtor, and add costs of same to the obligation (but bank is under no duty to take any such action); release collateral in its possession to debtor, temporarily or otherwise; require additional collateral; reject as unsatisfactory any property hereafter offered by debtor as collateral; set standards, from time to time, to govern what may be used as after-acquired collateral; designate, from time to time, a certain percent of the collateral as the loan value and require debtor to maintain the obligation at or below such figure; take control of funds generated by the collateral, such as dividends, interest, and proceeds or refunds from insurance, and use same to reduce any part of the obligation; vote any stock which is part of the collateral, and exercise all other rights which an owner of such stock may exercise; waive any of its rights hereunder without such waiver prohibiting the later exercise of the same or similar rights; revoke any permission or waiver previously granted to debtor.

G. MISCELLANEOUS

The rights and privileges of bank shall inure to its successors and assigns. All representations, warranties, and agreements of debtor are joint and several if debtor is more than one and shall bind debtor's personal representatives, heirs, successors, and assigns. Definitions in the Uniform Commercial Code apply to words and phrases in this agreement; if Code definitions conflict, Article 9 definitions apply. Debtor waives presentment, demand, notice of dishonor, protest, and extension of time without notice as to any instruments and chattel paper in the collateral. Notice mailed to debtor's address in Item A2, or to debtor's most recent changed address on file with bank, at least ten (10) days prior to the related action, shall be deemed reasonable.

H. DEFAULT

1. Any of the following is an event of default: failure of debtor to pay any note in the obligation in accordance with its terms, or any other liability in the obligation on demand, or to perform any act or duty required by this agreement; falsity of any warranty or representation in this agreement when made; substantial change in any fact warranted or represented in this agreement; involvement of debtor in bankruptcy or insolvency proceedings; death, dissolution, or other termination of debtor's existence; merger or consolidation of debtor with another; substantial loss, theft, destruction, sale, reduction in value, encumbrance of, damage to, or change in the collateral; modification of any contract, the rights to which are part of the collateral; levy on, seizure, or attachment of the collateral; judgment against debtor; filing any financing statement with regard to the collateral, other than relating to this security interest; bank's belief that the prospect of payment of any part of the obligation, or the performance of any part of this agreement, is impaired.
2. Upon an event of default and at any time thereafter bank may declare all obligations secured hereby immediately due and payable without notice to debtor and shall have the remedies of the secured party under the Uniform Commercial Code. Bank may require debtor to assemble the collateral and make it available to bank at a place to be designated by bank 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, bank will give debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of debtor shown at the beginning of this Agreement at least ten (10) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like, shall include bank's reasonable attorneys' fees and legal expenses.

I. WAIVER

No waiver by bank of any default shall operate as a waiver of any other default or of the same default on a future occasion.

J. SUCCESSORS

All rights of bank hereunder shall inure to the benefit of its successors and assigns; and all obligations of debtor shall bind his heirs, executors, administrators or his or its successors and assigns. If there be more than one debtor their obligation hereunder shall be joint and several.

K. POWER OF ATTORNEY

Bank is hereby appointed debtor's attorney in fact to do all acts and things which bank may deem necessary to perfect and continue perfecting the security interest created by this security agreement and to protect the collateral.

L. DEFINITIONS

The terms "Uniform Commercial Code" or "Code" when used herein shall mean the Uniform Commercial Code of Texas unless otherwise stated.

DEBTOR

BANK

Pan Tech Engineering Corporation

FIRST CITY BANK OF HIGHLAND VILLAGE

By: Glen V. Dorflinger
 Name and Title
 Glen V. Dorflinger, President

By: Stephen E. Sparks
 (Assoc.) (Vice) President-Cashier
 Stephen E. Sparks, SVP