

RICHARD SPINN, OF COUNSEL

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JULIAN E. WEISLER, II  
MILTON C. REGAN

**SPINN, EHLERT, SPINN, WEISLER & WEISLER**

ATTORNEYS - AT - LAW  
WASHINGTON COUNTY STATE BANK BLDG  
BRENHAM, TEXAS 77833

P. O. Box 1118  
AREA CODE 713  
PHONE 836-3636

February 9, 1978

3238

RECORDATION NO. .... Filed & Recorded

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

FEB 14 1978 -4 10 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED  
FEB 14 4 02 PM '78  
CERTIFICATION UNIT

Gentlemen:

In accordance with the provisions of Section 20c of the Interstate Commerce Act and Section 1116 of Title 49 of the Code of Federal Regulations, there is submitted herewith for filing and recordation a Security Agreement in connection with railroad tank cars used or intended for use in connection with interstate commerce as follows:

Three (3) executed counterparts of a Security Agreement dated February 8, 1978, by and between Washington County State Bank and Kenneth F. Schwenke.

Also enclosed is our check in the amount of \$50.00 for payment of the recordation fee.

The address of the mortgagor, Kenneth F. Schwenke, is 724 Travis, Houston, Texas 77002, and the address of the mortgagee, Washington County State Bank, is Brenham, Texas 77833.

Please return an original counterpart of the Security Agreement with filing data noted thereon, to the undersigned at P.O. Box 1118, Brenham, Texas 77833. If you need additional information with regard to this transaction, please contact me. Thank you kindly for your attention to this matter.

Very truly yours,

*R. William Spinn*  
R. William Spinn

8-045A114

FEB 14 1978

Date .....

Fee \$ 50

RWS:cj  
Encl.

CC Washington, D. C

INTERSTATE  
COMMERCE COMMISSION  
RECEIVED

FEB 14 1978

ADMINISTRATIVE SERVICES  
MM MAIL BRANCH

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

2/15/78

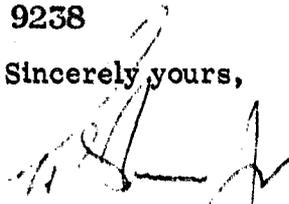
OFFICE OF THE SECRETARY

R. William Spinn  
P.O.Box 1118  
Brenham, Texas 77833

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 2/14/78 at 4:10pm and assigned recordation number(s) 9238

Sincerely yours,

  
H. G. Homme, Jr.  
Acting Secretary

Enclosure(s)

SE-30-T  
(6/77)

SECURITY AGREEMENT

Date: February 8, 1978

A. PARTIES

- 1. Debtor: Kenneth F. Schwenke
- 2. Address: 724 Travis, Houston, Harris County, Texas  
(Residence - show county)
- 3. Bank: Washington County State Bank
- 4. Address: Brenham, Washington County, Texas

3238

RECORDATION NO. .... Filed & Recorded

FEB 14 1978 -4 12 PM

(Information concerning this security interest may be obtained at the office of the bank shown above.)

UNIVERSAL COMMERCE COMMISSION

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 indorser 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:

Date	Amount
February 8, 1978	\$227,000.00

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.

Five (5) railroad tank cars, having 23,500 gallon capacity, being 100 ton tank cars, bearing numbers RTMX 12161, RTMX 12162, RTMX 12166, RTMX 12186, and RTMX 12193.

- b. All substitutes and replacements for, accessions, attachments, and other additions 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
  - Equipment (business use)
  - Equipment (farm use)
  - Farm products
  - Inventory
- 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.
- 4. 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, otherwise transfer, furnish under contracts of service, manufacture, process, or assemble the collateral except in accordance with the provisions on the back of this security agreement.

Additional terms on back.

BANK, By: William R. Gaskamp  
Signature  
 William R. Gaskamp  
 Vice-President  
Typed Name and Title

DEBTOR, By: Kenneth F. Schwenke  
Signature  
 Kenneth F. Schwenke  
Typed Name and Title

If sign if this security agreement is to be filed as a financing statement. Security agreement is to be filed as a financing statement in New Mexico, it should be acknowledged.

## 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 circumstance 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; indorse 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 five (5) days prior to the related action (or, if the Uniform Commercial Code specifies a longer period, such longer period 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. When an event of default occurs, the entire obligation becomes immediately due and payable at bank's option without notice to debtor, and bank may proceed to enforce payment of same and exercise any and all of the rights and remedies available to a secured party under the Uniform Commercial Code as well as all other rights and remedies. When debtor is in default, debtor, upon demand by bank, shall assemble the collateral and make it available to bank at a place reasonably convenient to both parties. Debtor is entitled to any surplus and shall be liable to bank for any deficiency, arising from accounts, contract rights, or chattel paper included in the collateral through sale thereof to bank.

## I. FIRST AND PRIOR LIEN

This security interest grants to bank a first and prior lien to secure the payment of the notes listed herein, and extensions and renewals thereof. If bank disposes of the collateral following default, the proceeds of such disposition available to satisfy the indebtedness shall be applied first to the notes herein, and renewals and extensions thereof, in the order of execution, and thereafter to all remaining indebtedness secured hereby, in the order in which such remaining indebtedness was executed or contracted. For the purpose of this paragraph, an extended or renewed note will be considered executed on the date of the original note.

THE STATE OF TEXAS           X  
  X  
COUNTY OF WASHINGTON       X

Before me, the undersigned authority, on this day personally appeared William R. Gaskamp, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein set forth.

Given under my hand and seal of office, on this the 10<sup>th</sup> day of February, 1978.

Margaret Z. Jaska  
Notary Public in and for  
Washington County, Texas

(Seal)

THE STATE OF TEXAS           X  
  X  
COUNTY OF HARRIS           X

Before me, the undersigned authority, on this day personally appeared Kenneth F. Schwenke, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, on this the 9<sup>th</sup> day of February, 1978.

Alice Owens  
Notary Public in and for 1-31-79  
Harris County, Texas

(Seal)