

COLLATERAL ASSIGNMENT OF PROMISSORY NOTE,
MORTGAGES AND FINANCING STATEMENTS

8429

THE STATE OF LOUISIANA

PARISH OF CADDO

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Shelby Cnty Judge of Probate, AL
05/09/1977 10:27:00 AM FILED/CERT

THIS Collateral Assignment of Promissory Note, Mortgages and Financing Statements made this 17th day of March, 1977, by and between CRYSTAL OIL COMPANY (herein called "Crystal"), a Maryland corporation, having its principal place of business at 600 Oden Building, Shreveport, Louisiana, 71120 and LOUISIANA BANK AND TRUST COMPANY (herein called "Bank"), a Louisiana banking corporation, having its banking house at 530 Market Street, Shreveport, Louisiana.

WITNESSETH:

WHEREAS, on March 27, 1972, pursuant to the Term Loan Agreement (the "First Loan Agreement") dated March 28, 1972, executed by Bank and Crystal, Bank agreed to loan Crystal the aggregate principal sum of \$12,500,000, said debt to be evidenced by Promissory Note (the "First Mortgage Note"), dated March 27, 1972, executed by Crystal payable to the Order of Bank, due upon demand and bearing interest as therein provided. On March 27, 1972, in consideration for Bank's agreement to loan said amount to Crystal, Crystal Petroleum Company, Inc. ("CPC") executed a Guaranty Agreement (the "Original Guaranty") wherein CPC unconditionally guaranteed to Bank the prompt and punctual payment of the First Mortgage Note; contemporaneously therewith, as security for performance of its obligations under the Original Guaranty, CPC executed various real estate mortgages, security agreement and financing statements (the "Original Mortgages") covering all properties owned or leased by CPC in the States of Alabama, Georgia, Louisiana, Mississippi, Tennessee, Florida and Virginia, which Original Mortgages were recorded and perfected in appropriate jurisdictions;

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Crystal Oil Company
att. E. J. Louviere
P.O. Box 21101

WHEREAS, on October 31, 1973 pursuant to Supplemental Term Loan Agreement (the "Second Loan Agreement") of even date therewith executed by Bank and Crystal, Bank agreed to loan to Crystal the aggregate principal sum of \$17,000,000, said debt to be evidenced by Promissory Note (the "Third Mortgage Note") dated October 31, 1973, executed by Crystal, payable to the Order of Bank, due upon demand and bearing interest as therein provided. On October 31, 1973, in consideration for Bank's agreement to loan said amount to Crystal, CPC executed a Guaranty Agreement ("Supplemental Guaranty") wherein CPC unconditionally guaranteed to Bank the prompt and punctual payment of the Third Mortgage Note; Contemporaneously therewith, as security for performance of its obligations under the Supplemental Guaranty CPC executed various real estate mortgages, security agreements, and financing statements (the "Supplemental Mortgages") covering all properties owned or leased by CPC in the States of Alabama, Georgia, Louisiana, Mississippi, Tennessee, Florida and Virginia which Supplemental Mortgages were appropriately recorded and perfected.

WHEREAS, on May 23, 1975, pursuant to Third Supplemental Term Loan Agreement (the "Third Loan Agreement") of even date therewith executed by Bank and Crystal, Bank agreed to loan to Crystal the aggregate sum of \$30,000,000, said debt to be evidenced by promissory note (the "Fourth Mortgage Note") dated May 23, 1975, executed by Crystal payable to the order of Bank, and bearing interest as therein provided. On the same date, in consideration of Bank's agreement to loan said amount to Crystal, CPC executed a guaranty agreement (the "Second Supplemental Guaranty"), wherein CPC unconditionally guaranteed to Bank the prompt and punctual payment of the Fourth Mortgage Note; contemporaneously therewith, as security for performance of its obligations under the Second Supplemental Guaranty, CPC executed various real estate mortgages, security agreements and financing statements (the "Second Supplemental Mortgages") covering all properties owned or leased by CPC in the States of Alabama, Georgia, Louisiana, Mississippi, Tennessee, Florida and Virginia, which Second Supplemental Mortgages were appropriately recorded and perfected.

WHEREAS, on August 12, 1976, pursuant to Fourth Supplemental Term Loan Agreement (the "Fourth Loan Agreement") of even date therewith executed by Bank and Crystal, Bank agreed to loan to Crystal the aggregate sum of \$35,000,000, said debt to be evidenced by promissory note (the "Fifth Mortgage Note") dated August 12, 1976, executed by Crystal payable to order of Bank and bearing interest as therein provided. On August 12, 1976, in consideration of Bank's agreement to loan said amount to Crystal, CPC executed a guaranty agreement (the "Third Supplemental Guaranty"), wherein CPC unconditionally guaranteed to Bank the prompt and punctual payment of the Fifth Mortgage Note; contemporaneously therewith, as security for performance of its obligations under the Third Supplemental Guaranty, CPC executed various real estate mortgages, security agreements and financing statements (the "Third Supplemental Mortgages") covering all properties owned or leased by CPC in the States of Alabama, Georgia, Louisiana, Mississippi, Tennessee, Florida and Virginia, which Third Supplemental Mortgages were appropriately recorded and perfected.

The Original Mortgage, the Supplemental Mortgages, the Second Supplemental Mortgages and the Third Supplemental Mortgages are herein collectively called the "Security Instruments". The First, Third, Fourth and Fifth Mortgage Notes are herein collectively called the Mortgage Notes. The terms and provisions of the Security Instruments require Bank's prior written consent to the sale of any of the properties or goods covered thereby.

WHEREAS, pursuant to these provisions, Crystal has advised Bank that it has been negotiating the sale of all of the outstanding capital stock of CPC (as well as the operating retail service stations owned by Hi-Octane which will be transferred to CPC prior to consummation of such sale) to U.S.A. Oil, Inc., an Alabama corporation ("U.S.A."), and has requested that Bank (i) consent to the sale and (ii) agree to release the liens and security interests created and evidenced by the Security Instruments. Bank agrees to do so upon the condition that Crystal agree to (i) pledge the promissory note of U. S. A. executed by U. S. A. payable to the order of Crystal in the original

principal amount of \$1,800,000, bearing interest at the rate of 2% above the prime rate of interest of Manufacturers Hanover Trust Company, New York, New York, with a ceiling of 10 1/2% per annum payable by U.S.A. thereunder, and (ii) assign the liens created by Mortgages and security interests of even date with U.S.A.'s promissory note covering all properties owned by CPC.

WHEREAS, said sale of CPC was executed by Crystal and U.S.A. on March 9, 1977 subsequent to consent to the sale by Bank and also a release of the liens and security interests created by the Security Instruments.

NOW THEREFORE, for sufficient consideration received, Crystal does hereby pledge hypothecate, transfer, grant, convey and assign to Bank without recourse, the following described instruments, to-wit:

1. Promissory note ("Purchaser's Note) of U.S.A. dated March 1, 1977 executed by U.S.A. payable to the order of Crystal in the original, principal amount of \$1,800,000 bearing interest at the rate of 2% above the prime rate of interest of Manufacturers Hanover Trust Company, New York, New York, with a ceiling of 10 1/2% per annum payable by U.S.A. thereunder.

2. Mortgage of CPC (Guarantor's Mortgage) executed to secure payment of the Note by U.S.A., recorded in the following office of the named County; in the state of Alabama in the mortgage records as listed, to-wit:

County

Jefferson
Shelby
Morgan
Houston
Mobile
Talladega
Montgomery
Calhoun
Madison
Mobile
Barbour

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from CPC (Guarantor) as Mortgagor to Crystal; and

3. Mortgagor's Financing Statement, filed in the following offices of the named Counties in the Uniform Commercial Code Records of the State of Alabama, to-wit.

County

Jefferson
Shelby
Morgan
Houston
Mobile
Talladega
Montgomery
Calhoun
Madison
Mobile
Barbour



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Also: Secretary of State

(The Purchaser's Note, Guarantor's Mortgage and Mortgagor's Financing Statement being herein collectively called the "Purchase Instruments")

PROVIDED, HOWEVER, so long as there is no default by Crystal in the performance of its aforementioned obligations under the Mortgage Notes, Bank shall not require delivery to it by Crystal of any of the proceeds of Purchaser's Note; however, upon the occurrence of any such default, Bank shall have the right, without any further consent or signature of Crystal, to require Purchaser to forward all payments on Purchaser's Note maturing and becoming due after the date of such default, whether principal or interest, directly to Bank.

In the event of default by Purchaser of its obligations under any of the Purchase Instruments:

- (1) Crystal may, at its option, pay to Bank any delinquency under Purchaser's Note or cure any default under Guarantor's Mortgage;
- (2) Crystal may, at its option, accelerate the maturity of Purchaser's Note and declare the unpaid principal balance thereof to be immediately due and payable and at its sole cost and expense, proceed to foreclose under Guarantor's Mortgage (the Bank hereby agreeing to join in such acceleration and foreclosure to the extent such joinder is required by applicable laws), in which event, (a) if the property covered by Guarantor's Mortgage is sold at such foreclosure sale to a third party, then Crystal shall pay to Bank any deficiency between the unpaid principal balance of the Purchaser's Note at the time of such acceleration and the proceeds realized at such foreclosure sale, or (b) if Crystal purchases the properties covered by Guarantor's Mortgage at such foreclosure sale, then (i) Bank shall grant a complete release of Purchaser's Note and Guarantor's Mortgage, and (ii) Crystal shall execute a new Real Estate Mortgage, Security Agreement, and Financing Statement creating liens upon, and security interests in, the properties so purchased as additional security for performance by Crystal of its obligations under the Mortgage Notes, or

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- (3) In the event Crystal fails or refuses to exercise either of the options hereinabove granted, Bank may, at its option, declare the unpaid principal balance of Purchaser's Note to be immediately due and payable and proceed to foreclose under Purchaser's Mortgage (Crystal hereby agreeing to join in such acceleration and foreclosure to the extent such joinder is required by applicable laws), in which event Crystal shall not be liable for payment of any deficiency between the unpaid principal balance of Purchaser's Note at the time of such acceleration and the proceeds realized at such sale, PROVIDED, HOWEVER, Bank shall apply the proceeds of such foreclosure received by it in excess of the unpaid principal balance of Purchaser's Note at the time of such acceleration in payment of the indebtedness of Crystal under the Mortgage Notes.

This agreement is made in lieu of the Security Instruments and the Purchase Instruments are hereby made and designated a part of the security for the performance by Crystal of its obligations under:

- (1) The Mortgage Notes
- (2) Any and all renewals and extensions, in whole or in part of the Mortgage Notes;
- (3) Any and all agreements by or other obligations of Crystal to repay Bank or other holder or holders of the Mortgage Notes, or any of them or indemnify and save them or any of them harmless on account of any letter of credit heretofore or hereafter issued by them or any of them for the benefit of Crystal or any corporate subsidiary of Crystal; and
- (4) All other debts, obligations and liabilities of every nature whatsoever presently or at any time hereafter owing by Crystal to the Bank or other holder or holders of the Mortgage Notes, or any of them, whether direct or indirect, primary or secondary, fixed or contingent, arising from agreement, letters of credit, guaranty, endorsement, suretyship, assignment or otherwise, it being expressly contemplated that the Bank or other holder or holders of the Mortgage Notes may from time to time hereafter otherwise become further obligated or indebted to the Bank or other holder or holders of the Mortgage Notes.

Crystal authorizes extensions and renewals of any all of the indebtedness hereinabove referred to and substitutions of the evidence thereof with or without notice to Crystal, and Crystal specifically waives presentment, protest and notice of dishonor as well as notice of any extensions or renewals of the aforesaid indebtedness, in whole or in part.



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TO HAVE AND TO HOLD unto Bank until the payment of the indebtedness described herein and any further or future advances made by Bank to Crystal, have been fully paid and satisfied, at which time Bank shall release and discharge this agreement as well as the Mortgage Notes.

EXECUTED in multiple counterparts, each of which shall be considered an original on the day, month and year first hereinabove set out.

CRYSTAL OIL COMPANY

By

Robert F. Roberts
Robert F. Roberts, President

(SEAL)



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Sharon L. Hawke
Secretary

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LOUISIANA BANK AND TRUST COMPANY

By

Ray F. Oden, Jr.
Ray F. Oden, Jr.
Chairman of the Board of Directors

(SEAL)

ATTEST:

Joe L. Smith, Jr.
Asst. Vice Pres.

THE STATE OF LOUISIANA

PARISH OF CADDO



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I, the undersigned Notary Public, do hereby certify that Robert F. Roberts and Sharon L. Hawke, personally known to me to be the same persons whose names are respectively subscribed as the President and Secretary of Crystal Oil Company, a corporation of the State of Maryland, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and seal this 30th day of March, 1977.

Linda Burns Hoggman
Notary Public

My commission expires with life.

THE STATE OF LOUISIANA

PARISH OF CADDO

I, the undersigned Notary Public, do hereby certify that Ray P. Oden, Jr. and JOE THRELL JR, personally known to me to be the same persons whose names are respectively subscribed as the Chairman of the Board of Directors and Asst. Vice Pres of LOUISIANA BANK & TRUST COMPANY, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized by said bank, signed, sealed with the corporate seal, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand this 4 day April, 1977.

[Signature]
Notary Public

My commission expires with life.

This instrument was prepared by E. J. Louviere, Attorney at Law,
P. O. Box 21101, Shreveport, Louisiana 71120

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

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Thomas A. Snowden, Jr.
JUDGE OF PROBATE

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\$ 13.00