

ANDREWS & KURTH

ATTORNEYS

WASHINGTON, D. C. OFFICE  
ANDREWS & KURTH  
1747 PENNSYLVANIA AVE., N. W.  
WASHINGTON, D. C. 20006  
(202) 861-7400

TEXAS COMMERCE TOWER  
HOUSTON, TEXAS 77002  
(713) 220-4200  
TELECOPIER: (713) 220-4295  
TELEX: 79-1208

DALLAS OFFICE  
ANDREWS, KURTH & RITCHIE  
1100 REPUBLICBANK BUILDING  
DALLAS, TEXAS 75201  
(214) 742-6285

May 2, 1984

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Room 2303  
Washington, D.C. 20423

14320  
RECORDATION NO. .... Filed 1425

MAY 8 1984 -10 25 AM

INTERSTATE COMMERCE COMMISSION

Re: Security Agreement Filing for H & H Company  
and Texas Commerce Bank National Association

Dear Ms. Lee:

Enclosed please find two duly executed and acknowledged Security Agreements from H & H Company whose address is c/o Texas Commerce Bank National Association, 712 Main Street, Houston, Texas 77002, and covering the collateral described as follows:

Seventy-three (73) Railroad Tank Cars owned by H & H Company, as more specifically described on Exhibit "A" attached hereto.

Please record one of said copies in the appropriate records of your office and return the other, with recording information, to the undersigned. Also enclosed is our firm check #59527 in the amount of \$50.00 for your recording fees.

Should you have any questions concerning this matter, please feel free to call me at (713/220-4386).

Very truly yours,

*Ann B. Stern*

Ann B. Stern

229/mbd  
Enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

5/8/84

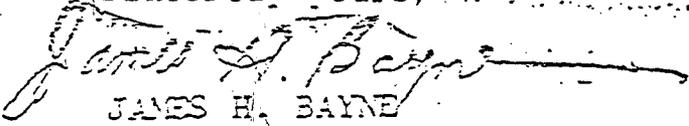
OFFICE OF THE SECRETARY

Ann B. Stern  
Andrews & Kurth  
Texas Commerce Tower  
Houston, Texas 77002

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 5/8/84 at 10:25am and assigned re-  
recording number(s). 14320

Sincerely yours,

  
JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30  
(7/79)

**NOTICE**

Prepared by the State Bar of Texas for use by Lawyers only.  
To select the proper form, fill in blank spaces, strike out form provisions or insert special terms constitutes the practice of law. No "standard form" can meet all requirements.

077-88-2266

03/28/84 00187665 J432505 \$ 13.00

*Agreed*  
432505

**SECURITY AGREEMENT**

~~(CONSUMER GOODS, EQUIPMENT AND FARM PRODUCTS)~~

THE STATE OF TEXAS  
COUNTY OF

} KNOW ALL MEN BY THESE PRESENTS:

RECORDATION NO. **11320** FILED 1425

That H & H COMPANY, a Texas limited partnership

**MAY 8 1984 10 25 AM**

INTERSTATE COMMERCE COMMISSION

whose address is \_\_\_\_\_  
(No. and Street) (City)

\_\_\_\_\_ County, \_\_\_\_\_ hereinafter called "Debtor" (whether one or more),  
(State)

*B* hereby GRANTS to TEXAS COMMERCE BANK NATIONAL ASSOCIATION

*K* whose address is 712 Main Street Houston  
(No. and Street) (City)

Harris County, Texas hereinafter called "Secured Party"  
(State)

(whether one or more), a security interest in the following described personal property now located and situated at \_\_\_\_\_ County, Texas,  
(No. and Street) (City)

together with all additions and accessions thereto (in the event such property be livestock, then together with the increase, if any, therefrom), and proceeds thereof (the inclusion of such proceeds does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not authorized by this agreement), all hereinafter called the "Collateral", to-wit:

**Seventy-three (73) Railroad Tank Cars owned by H & H Company, as more specifically described on Exhibit "A" attached hereto.**

This Security Agreement is executed by Debtor in order to secure all indebtedness of Gemco Equipment Company ("Borrower") to Secured Party, including but not limited to, that series of promissory notes in the aggregate principal amount of \$1,500,000.00, plus all interest and costs therewith, said notes to be executed by Borrower to Secured Party subsequent hereto in varying amounts, all of said notes bearing interest at the rate of one and one-half percent (1 1/2%) over the Prime Rate, and due and payable and with a maturity date as therein provided.

RECORDER'S MEMORANDUM  
ALL BLACKOUTS, ADDITIONS AND CHANGES  
WERE PRESENT AT THE TIME THE INSTRUMENT  
WAS FILED AND RECORDED.

*Quint Redman*  
COUNTY CLERK  
HARRIS COUNTY, TEXAS  
**MAR 28 2 42 PM 1984**  
FILED



In the event Debtor shall fail to keep said Collateral in good repair and condition, or to pay promptly when due all taxes and assessments, as aforesaid, or to preserve the prior security interest hereby granted in said Collateral, or to keep said Collateral insured, as aforesaid, or to deliver the policy or policies of insurance or the renewal thereof to Secured Party, as aforesaid, then Secured Party may, at his option, but without being required to do so, make such repairs, pay such taxes and assessments, remove any prior liens or security interests and prosecute or defend any suits in relation to the prior security interest of this agreement in said Collateral, or insure and keep insured said Collateral in an amount not to exceed that above stipulated; that any sum which may be so paid out by Secured Party and all sums paid for insurance premiums, as aforesaid, including the costs, expenses and attorney's fees paid in any suit affecting said Collateral when necessary to protect the security interest hereof shall bear interest from the dates of such payments at ten (10%) per cent per annum and shall be paid by Debtor to Secured Party upon demand, at the same place at which the above described note or notes are payable and shall be a part of the indebtedness hereby secured and recoverable as such in all respects.

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 <sup>or Borrower's</sup> failure to pay when due, or declared due, the indebtedness hereby secured, or any installment thereof, principal or interest;
- (2) Debtor's <sup>or Borrower's</sup> default in the punctual performance of any of the obligations, covenants, terms or provisions contained herein or in the note or notes hereby secured;
- (3) If any warranty, covenant or representation made herein by Debtor proves to have been false in any material respect when so made; <sup>or Borrower's</sup>
- (4) Debtor's <sup>or Borrower's</sup> dissolution, termination of existence, insolvency or business failure, or Debtor <sup>or Borrower</sup> making an assignment for the benefit of creditors or the commission of an act of bankruptcy, or the institution of voluntary or involuntary bankruptcy proceedings, or the taking over of the Collateral or any part thereof by a Receiver for Debtor or the placing of same in the custody of any court or an officer or appointee thereof;
- (5) Loss, theft, substantial damage, destruction, sale, abandonment or encumbrance of or to the Collateral or any part thereof.

RECORDER'S MEMORANDUM  
ALL BLACKOUTS, ADDITIONS AND CHANGES  
WERE PRESENT AT THE TIME THE INSTRUMENT  
WAS FILED AND RECORDED.

Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party may elect, Debtor hereby expressly waiving notice, demand and presentment, to declare the entire indebtedness hereby secured immediately due and payable.

In the event of default in the payment of said indebtedness when due or declared due, Secured Party, without waiving any rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, shall have the right to 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, and the right to take immediate possession of any and all of the Collateral and for this purpose shall have the right to enter upon the premises where said Collateral may be located and remove the same or may leave the same where it is then located, and sell the Collateral or such part thereof as Secured Party may elect (without exhausting the power to sell the remainder or any part thereof at Public Sale as herein provided or at Public or Private Sale as provided in the Uniform Commercial Code of Texas) at Public Sale to the highest bidder for cash at the Courthouse door of the County hereinabove stated where the Collateral is now located, after having first given notice of the time, place and terms of such Public Sale by posting a written or printed notice (which notice shall also show the then location of the Collateral to be sold) of said sale at the Courthouse door of said County, at least ten days before the day of sale and after sending reasonable notice to Debtor and to such other person or persons legally entitled thereto under the Uniform Commercial Code of Texas, of the time and place of the Public Sale; the Collateral to be sold may be sold as an entirety or in such parcels as Secured Party may elect and it shall not be necessary for Secured Party to have actual possession of the Collateral or to have it present when the sale is made, but full and perfect title shall pass wheresoever said Collateral may then be, and Secured Party thus selling said Collateral shall deliver to the purchaser thereof a Bill of Sale or Transfer therefor, binding Debtor to warrant and forever defend the title to such Collateral, and out of the proceeds of the sale pay the reasonable expenses of retaking, holding, preparing for sale, selling and the like, reasonable attorney's fees and legal expenses so incurred by Secured Party, and the balance remaining shall thereupon be applied toward the payment of the amount then owing on the indebtedness hereby secured, including principal, interest and attorney's fees as provided herein and in said Note, rendering the balance, if any, and surplus, if any, to the person or persons legally entitled thereto under the Uniform Commercial Code of Texas, but if there be any deficiency, Debtor shall remain liable therefor. Secured Party shall have the right to purchase at such Public Sale, being the highest bidder. The recitals in the Bill of Sale or Transfer to the purchaser at such sale shall be prima facie evidence of the truth of the matters therein stated and all prerequisites to said sale required hereunder and under the Uniform Commercial Code of Texas shall be presumed to have been performed.

Secured Party, in addition to the rights and remedies provided for in the preceding paragraph, shall have all the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas and Secured Party shall be entitled to avail himself of all such other rights and remedies as may now or hereafter exist at law or in equity for the collection of said indebtedness and the enforcement of the covenants herein and the foreclosure of the security interest created hereby and the resort to any remedy provided hereunder or provided by the Uniform Commercial Code of Texas, or by any other law of Texas, shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

The requirement of reasonable notice to Debtor of the time and place of any Public Sale of the Collateral or of the time after which any Private Sale, or any other intended disposition thereof is to be made, shall be met if such notice is mailed, postage prepaid, to Debtor at the address of Debtor designated at the beginning of this Security Agreement, at least five days before the date of any Public Sale or at least five days before the time after which any Private Sale or other disposition is to be made.

Secured Party may remedy any default, without waiving same, or may waive any default without waiving any prior or subsequent default.

The security interest herein granted shall not be affected by nor affect any other security taken for the indebtedness hereby secured, or any part thereof; and any extensions may be made of the indebtedness and this security interest and any releases may be executed of the Collateral, or any part thereof, herein conveyed without affecting the priority of this security interest or the validity thereof with reference to any third person, and the holder of said indebtedness shall not be limited by any election of remedies if he chooses to foreclose this security interest by suit. The right to sell under the terms hereof shall also exist cumulative with said suit; and one method so resorted to shall not bar the other, but both may be exercised at the same or different times, nor shall one be a defense to the other.

"Borrower"

The pronouns used in this agreement are in the masculine gender but shall be construed as feminine or neuter as occasion may require. "Secured Party" and "Debtor" as used in this agreement include, shall bind and shall inure to the benefit of the respective heirs, executors or administrators, successors, representatives, receivers, trustees or assigns of such parties. If there be more than one Debtor, their obligations shall be joint and several.

The law governing this secured transaction shall be the Uniform Commercial Code of Texas and other applicable laws of the State of Texas. All terms used herein which are defined in the Uniform Commercial Code of Texas shall have the same meaning herein as in said Code.

RECORDER'S MEMORANDUM  
ALL BLACKOUTS, ADDITIONS AND CHANGES  
WERE PRESENT AT THE TIME THE INSTRUMENT  
WAS FILED AND RECORDED.



EXECUTED THIS 16<sup>th</sup> day of March, A. D. 1984

Texas Commerce Bank National Association

H & H Company, a Texas limited partnership

*Barbara S. Vilutis*

*Jim F. Herring*

Secured Party

Debtor

BARBARA S. VILUTIS

JIM F. HERRING

202  
200

077-88-2269



## Exhibit "A"

Seventy-three (73) railroad tank cars owned by H & H Company, described by the following serial numbers:

GLNX 1300	GLNX 1340
GLNX 1301	GLNX 1341
GLNX 1302	GLNX 1342
GLNX 1303	GLNX 1343
GLNX 1304	GLNX 1344
GLNX 1305	GLNX 1345
GLNX 1306	GLNX 1346
GLNX 1307	GLNX 1347
GLNX 1308	GLNX 1348
GLNX 1309	GLNX 1349
GLNX 1310	
GLNX 1311	RTMX 2262
GLNX 1312	RTMX 2263
GLNX 1313	RTMX 2264
GLNX 1314	RTMX 2265
GLNX 1315	RTMX 2266 ✓
GLNX 1316	RTMX 2267
GLNX 1317	RTMX 2268
GLNX 1320	RTMX 2269
GLNX 1321	RTMX 2270
GLNX 1322	RTMX 2271
GLNX 1323	RTMX 2445
GLNX 1324	RTMX 2448
GLNX 1325	RTMX 2449
GLNX 1326	RTMX 2536
GLNX 1327	RTMX 2537 ✓
GLNX 1328	RTMX 2538
GLNX 1329	RTMX 2539
GLNX 1331	RTMX 2540
GLNX 1332	RTMX 13310
GLNX 1334	RTMX 13311
GLNX 1335	RTMX 13312
GLNX 1336	RTMX 13313
GLNX 1338	RTMX 13314
GLNX 1339	RTMX 13315
	RTMX 13316
	RTMX 13317
	RTMX 13318
	RTMX 13319

STATE OF TEXAS }  
COUNTY OF HARRIS }

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

MAR 28 1984



*Opita Lorch*  
COUNTY CLERK,  
HARRIS COUNTY, TEXAS

Please Return To,

Margaret Hubert  
Andrews + Kurth  
4200 Texas Commerce Tower  
Houston, TX 77002