

TEXAS COMMERCE BANK NATIONAL ASSOCIATION  
712 Main Street  
Houston, Texas 77002

May 15, 1984

*inf*  
14335  
RECORDATION NO. Filed 1425

Secretary of Interstate Commerce Commission  
Washington, D. C. 20423  
JUN 4 1984 - 1 10 PM  
INTERSTATE COMMERCE COMMISSION  
Registered Mail  
Return Receipt Requested

Dear Sir:

Please find enclosed three original counterparts, executed and acknowledged, of a Security Agreement between John T. Files and Texas Commerce Bank National Association and our check in the amount of \$50 for payment of recordation fee. We ask that you record this document pursuant to §1177 of Title 49 of the Code of Federal Regulations. Please note that the principal debtor and mortgagor is John T. Files, the mortgagee is Texas Commerce Bank National Association and the collateral pledged consists of five (5) 23,500 gallon nominal capacity tank cars, DOT111A100, coiled and insulated; 100-ton roller bearings trucks bearing the Registration Numbers GLNX 83010, 83011, 83012, 83013 and 83014.

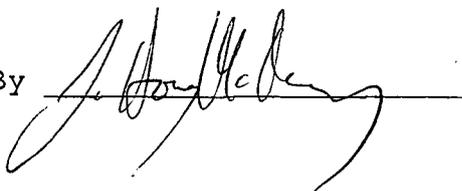
Please return an original counterpart to the undersigned officer in care of Texas Commerce Bank National Association, 712 Main Street, Houston, Texas 77002. If you need additional information with regard to these documents or this transaction, please contact the undersigned. Thank you kindly for your attention to this matter.

4-156A064

Very truly yours,

No. \_\_\_\_\_  
Date JUN 4 1984  
Fee \$ 50.00  
ICC Washington, D.C.

TEXAS COMMERCE BANK  
NATIONAL ASSOCIATION

By 

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

6/4/84

OFFICE OF THE SECRETARY

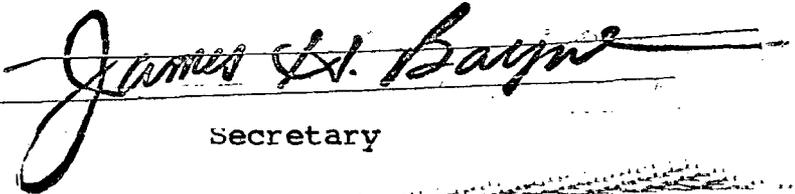
**Texas Commerce Bank, N.A.**  
**P.O. Box 2558**  
**Houston, Texas 77001**

**Attn: Teresa King 4 TCB #46**

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 **6/4/84** at **1:30pm** and assigned re-recording number(s). **14335**

Sincerely yours,

  
Secretary

Enclosure(s)

14335

RECORDATION NO. .... FILED 1475

JUN 4 1984 - 1 30 PM

INTERSTATE COMMERCE COMMISSION

TEXAS COMMERCE BANK NATIONAL ASSOCIATION

Security Agreement

John T. Files, 22 Saddlebrook Lane, Houston, Texas 77024, (hereinafter called "Debtor"), and Texas Commerce Bank National Association, a national banking association having its principal office at 712 Main Street, 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 that certain note of Debtor dated May 15, 1984, in the original principal amount of One Hundred Fifteen Thousand Dollars (\$115,000) 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 five (5) 23,500 gallon nominal capacity tank cars, DOT111A100, coiled and insulated; 100-ton roller bearing trucks, Registration Numbers GLNX 83010, 83011, 83012, 83013 and 83014, and all additions and accessions thereto, rentals and profits therefrom, all accounts, chattel paper and general intangibles with respect thereto and proceeds thereof and all right, title and interest of Debtor in that certain Management Agreement by and between GLNX Corporation, a Texas corporation, and Debtor dated as of May 23, 1983. 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. The inclusion of such Management Agreement as Collateral in this Security Agreement shall not prohibit Debtor from terminating such Management Agreement prior to the occurrence of an Event of Default hereunder.

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 account fully and faithfully to Secured Party for proceeds from disposition of the Collateral in any manner and shall, upon request pay or turn over promptly in cash, negotiable instruments, drafts, assigned accounts or chattel paper or lease rentals, all the proceeds from each sale to be applied to Debtor's Indebtedness to Secured Party, subject, if other than cash, to final payment or collection.

(3) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the prime rate in effect from time to time at Secured Party's offices.

(4) Debtor shall pay immediately, without notice, the entire unpaid Indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

(5) Debtor may at any time prepay a proportion of the outstanding Indebtedness which is equivalent to the ratio of one or more units of Equipment to the total units of Equipment serving as Collateral to the Security Agreement at such time, and Secured Party will thereupon release from the Security Agreement the number of units of Equipment for which such prepayment is made.

SECTION IV. DEBTOR'S WARRANTIES, REPRESENTATIONS AND AGREEMENTS

Debtor warrants, represents and agrees that:

(1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine in all material respects.

(2) Except for the Interstate Commerce Commission filing and financing statement filed by Secured Party in connection with the Security Agreement between Debtor and Secured Party dated May 31, 1977, 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 in the Security Agreement between Debtor and Secured Party dated May 31, 1977, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) Debtor's location is 22 Saddlebrook Lane, Houston, Texas 77024. Debtor's location is: (a) Debtor's place of business if he has only one; (b) Debtor's chief executive office if he has more than one place of business; or (c) Debtor's residence if he has no place of business.

(4) Debtor will promptly notify Secured Party in writing of any addition, change and/or discontinuance of (a) its address as shown at the beginning of the Security Agreement; (b) its location as set forth in this Security Agreement; and (c) its name or its identity.

(5) Debtor shall 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. Such payment shall become part of the Indebtedness secured by this Security Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the

rate of 2% in excess of the prime rate as in effect from time to time at Secured Party's offices.

(6) Debtor will have and maintain or cause to be maintained insurance at all times with respect to all Equipment and such risks as Secured Party may require. Such insurance policies shall be in amounts, contain such terms, be in a form, be for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. 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 and Debtor. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions.

(7) The Equipment.

(a) The Equipment will be used primarily for business use and for leasing to responsible and credit-worthy third parties 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, and will not be used in violation of any statute or ordinance.

(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 created or suffered by Debtor voluntarily, except short-term leases to responsible and credit-worthy third parties, unless Secured Party consents in advance in writing to such sale,

transfer, disposition, charge, or subsequent interest.

(8) Debtor shall, at its expense, do, make, procure, execute and deliver all acts, things, writings and assurances as Secured Party may at any time require to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(9) Debtor shall sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons or necessary to comply with any applicable federal or state securities laws or to enable the Secured Party to transfer or dispose of any or all of the Collateral after the happening of an Event of Default.

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

(3) Any warranty, representation, or statement contained in this Security Agreement, or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any material respect when made or furnished.

(4) Loss, theft, substantial damage, destruction, sale (except as authorized in this Security Agreement) or

encumbrance to or of any material part of the Collateral, or the making of any levy, seizure or attachment thereof.

(5) Debtor's death, dissolution, termination of existence, insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; 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 or any guarantor, surety or endorser for Debtor.

(6) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to secured Party submitted to Secured Party by Debtor or any such guarantor, surety or endorser proves to be false in any material respect.

(7) In the event that Debtor should terminate the Management Agreement dated May 23, 1983, as provided therein, such termination shall not be considered a default. However, Debtor agrees that he will assign any replacement management agreement for the Equipment executed by him to the Secured Party under this Security Agreement.

#### SECTION VI. SECURED PARTY'S RIGHTS AND REMEDIES.

##### A. Rights Exclusive of an Event of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the Indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claims or defenses he may have against Secured Party against the Assignee except those available against a holder in due course.

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

(3) Secured Party may call at Debtor's location or place or places of business at intervals to be determined by Secured Party and, without hindrance or delay, inspect,

audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral or to any transaction between Debtor and Secured Party, and Debtor shall assist Secured Party in making any such inspection.

(4) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. 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 rate of 2% in excess of the prime rate as in effect from time to time at Secured Party's offices.

(5) Debtor will execute, sign, endorse, transfer or deliver such notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, applications for certificates of title or any other documents required by the Secured Party (by notice to Debtor) as being necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement. If Debtor shall fail after demand to comply with the provisions of this paragraph, Secured Party may, in the name of Debtor, accomplish such acts as Debtor shall have failed to do.

(6) Secured Party may notify 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 to pay Secured Party directly.

(7) Secured Party may at any time demand, sue for, collect or make any compromise or settlement with reference to the Collateral as Secured Party, in its sole discretion, chooses.

B. Remedies in the Event of Default.

(1) Upon the occurrence of an Event of Default and at any time thereafter, Secured Party may 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 is perishable or 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 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 five 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 rate of 2% in excess of the prime rate in effect from time to time at Secured Party's offices.

(2) Secured Party may act as attorney for Debtor in obtaining, adjusting, setting and cancelling the insurance required hereunder and endorsing any drafts drawn by insurers of the Collateral and may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby. If Secured Party acts under this paragraph it will so inform Debtor.

(3) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(4) Upon the occurrence of an Event of Default and in protecting, exercising or assuring its interests, rights and remedies under this Security Agreement Secured Party may receive, open mail addressed to Debtor and execute, sign and endorse notes, checks, drafts and other instruments for the payment of money, certificates of title or other evidences of payment, shipment or storage for any

form of Collateral or proceeds on behalf of and in the name of Debtor, or any other documents necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement. If Secured Party acts under this paragraph, it will so inform Debtor.

(5) The remedies of the 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) The term "Debtor" as used in this instrument shall be construed as singular or plural to correspond with the number of persons executing this instrument as Debtor. The pronouns used in this instrument are in the neuter gender but shall be construed as feminine or masculine as occasion may require. "Secured Party" and "Debtor" as used in this instrument include the heirs, executors and administrators, successors, representatives, receivers, trustees and assigns of those parties.

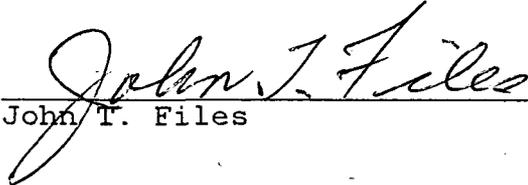
(2) If more than one person executes this instrument as Debtor, their obligations under this instrument shall be joint and several.

(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.

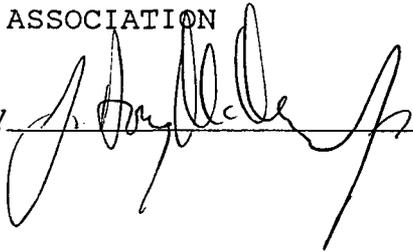
EXECUTED this 15th day of May, 1984.

DEBTOR:

  
\_\_\_\_\_  
John T. Files

SECURED PARTY:

TEXAS COMMERCE BANK NATIONAL  
ASSOCIATION

By   
\_\_\_\_\_

STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

On this 15th day of May, 1984, before me personally appeared John T. Files, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Bernadette Stegent

[Seal]

My commission expires BERNADETTE STEGENT  
Notary Public, State of Texas  
My Commission Expires 2/88



STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

On this 15th day of May, 1984, before me personally appeared Doug McMurrey, to me personally known, who being by me duly sworn, says that he is the Vice Pres. of Texas Commerce Bank National Association, that said instrument was signed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Bernadette Stegent

[Seal]

My commission expires Feb. 1988

