Allied® Bank
West Loop N.A.
1300 POST OAK BLVD., P. O. BOX 4401
HOUSTON, TEXAS 77210, 713/626-8787

RECORDATION NO. 14471 Filed 1425
NOV 14 1984 -9 10 AM
INTERSTATE COMMERCE COMMISSION

4-319A011

No.
Date NOV 14 1984
Fee $ 10.00

ICC Washington, D. C.

November 6, 1984

Interstate Commerce Commission
Twelfth St. & Constitution Ave. N.W.
Washington, D.C. 20423

Gentlemen:

Enclosed for recording please find two (2) notarized original security agreements executed by Associated Railcar, Inc., along with our check in the amount of $10.00.

Please return these instruments and return a copy to the above address.

Your prompt cooperation will be appreciated.

Very truly yours,

Collateral Coordinator

ICC
NOV 14 9 42 AM '84
MOTOR CARRIER UNIT

070-10051

11/14/84

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Allied Bank West Loop,N.A.
1300 Post Oak Blvd.P.O.Box 4401
Houston,Texas 77210

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 11/14/84 at 9:50am and assigned re-recordation number(s). 14471

Sincerely yours,

James H. Bayne

Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 14471 Filed 1425

NOV 14 1984 -9 10 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT-PLEDGE

NOVEMBER 5, 1984
(Date)

ASSOCIATED RAILCAR, INC.
(Name)

1300 POST OAK BLVD., SUITE 960 (No. and Street) HOUSTON, (City) HARRIS, (County) TEXAS (State)

hereinafter called "Debtor", for value received, the receipt and sufficiency of which is hereby acknowledged, hereby grants to

ALLIED BANK WEST LOOP, N.A.

hereinafter called "Secured Party" the security interest hereinafter set forth and agrees with Secured Party as follows:

I. SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in and agrees and acknowledges that Secured Party has and shall continue to have a security interest in the following described property, to-wit:

ASSIGNMENT OF NINE (9) LO COVERED HOPPER CARS, EQUIPED WITH 100 TON ROLLER BEARING TRUCKS AND WITH INTERIOR EPOXY LINING SUITABLE FOR TRANSPORTATION OF POLYETHYLENE PLASTIC PELLETS AS MORE FULLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with all monies, income, proceeds and benefits attributable or accruing to said property, including, but not limited to, all stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock, new security or other properties or benefits or which the Debtor is or may hereafter become entitled to receive on account of said property, and in the event that Debtor shall receive any of such, Debtor shall hold same as Trustee for Secured Party and will immediately deliver same to Secured Party to be held hereunder in the same manner as the property specifically described above is held hereunder. All property of all kinds in which the Secured Party is herein granted a security interest shall hereinafter be called the "Collateral". The undersigned agrees to execute such stock powers, endorse such instruments, or execute such additional pledge agreements or other documents as may be required by the Secured Party in order to effectively grant to Secured Party the security interest in the Collateral.

As additional security for payment of the Obligations, Debtor hereby grants to Secured Party a security interest, and a contractual pledge and assignment of, in and to any and all money, property, accounts, securities, documents, chattel paper, claims, demands, instruments, items or deposits of the Debtor, and each of them, or to which any of them is a party, now held or hereafter coming within Secured Party's custody or control, including by way of example and not of limitation all certificates of deposit and other depository accounts, whether such have matured or the exercise of Secured Party's rights results in loss of interest or other penalty on such deposits. Without prior notice to or demand upon the Debtor, Secured Party may exercise its rights granted above, as well as other rights and remedies at law and equity (all of which are cumulative), at any time when a default has occurred or Secured Party deems itself insecure.

The security interest granted hereby is to secure the payment of any and all indebtedness and liabilities whatsoever of the Debtor to Secured Party whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever evidenced or acquired, and whether joint or several (all of which are hereinafter sometimes called the "Obligations").

II. WARRANTIES AND COVENANTS OF DEBTOR

Debtor hereby warrants, covenants and agrees that:

(1) Except for the security interest granted hereby, the Debtor is the owner of the Collateral free of any adverse claim, security interest or encumbrance; and the Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or interest therein;

(2) Debtor authorizes the Secured Party to file, in jurisdictions where this authorization will be given effect, a Financing Statement signed only by the Secured Party covering the Collateral; and at the request of Secured Party, the Debtor will join the Secured Party in executing one or more Financing Statements pursuant to the Uniform Commercial Code, in form satisfactory to the Secured Party, and will pay the cost of filing the same or filing or recording the Security Agreement in all public offices wherever filing or recording is deemed by the Secured Party to be necessary or desirable, it being further stipulated in this regard that the Secured Party may also at any time or times sign any counterpart of this Security Agreement signed by the Debtor and file same as a Financing Statement if the Secured Party shall elect to do so;

(3) Debtor will not sell or offer to sell or otherwise transfer or encumber the Collateral or any interest therein without the written consent of the Secured Party;

(4) Debtor will keep the Collateral free from any and all adverse liens, security interests and encumbrances;

(5) Debtor will deliver to the holder of the Obligations additional collateral, upon demand by such holder, if such holder deems the Collateral then held hereon to be insufficient, to properly and amply secure all Obligations secured hereby; and

(6) Debtor will pay to Secured Party all expenses and expenditures, including reasonable attorney's fees and legal expenses, incurred or paid by the Secured Party in exercising or protecting its interest, rights and remedies under this Security Agreement. Debtor agrees to pay interest on such amounts at the rate of ten percent (10%) per annum from the date such are incurred by Secured Party until the date paid by Debtor.

III. GENERAL COVENANTS

(1) The Security interest granted hereby shall in no way be affected by any indulgence or indulgences, extension or extensions, change or changes in the form, evidence, maturity, rate of interest or otherwise of any of the Obligations secured hereby, nor by want of presentment, notice, protest, suit or indulgence upon any of such Obligations, nor shall any release of, or failure to perfect the security interest or lien in, any security for or of any of the parties liable for the payment of any of the Obligations secured hereby in any manner affect or impair this pledge, the same shall continue in full force and effect in accordance with the terms until all of the Obligations have been fully paid.

(2) Any and all securities and other properties heretofore, now or hereafter delivered to Secured Party, or in Secured Party's possession, shall also secure all Obligations and shall be held and construed to be a part of the Collateral hereunder to the same extent as fully described herein.

(3) Secured Party shall have the power to endorse and is hereby appointed Debtor's agent for the purpose of endorsing in the name of Debtor any instrument or document constituting Collateral or which may be received in payment of or on account of the Collateral.

(4) Debtor agrees that Secured Party may, at any time in its sole discretion, surrender for payment, and obtain payment of, any portion of the Collateral consisting of time deposits with financial institutions even though there may be a substantial interest penalty for early withdrawl.

IV. EVENTS OF DEFAULT

The Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions:

(1) Default in the payment or performance of any liability or obligation of the Debtor or of any maker, endorser or guarantor of any liability or obligation of the Debtor to the holder of the Obligations, including but not by way of limitation, default in the payment of any principal or interest on any of the Obligations when due;

(2) Failure of the Debtor to deliver additional collateral as provided;

(3) Any deterioration or impairment of the Collateral or any part thereof or any decline or depreciation in the market price thereof (whether actual or reasonably anticipated) which, in the judgment of the Secured Party, causes the Collateral to become unsatisfactory as to value or character.

(4) The levy of any attachment, execution, garnishment or other process against the Debtor or any of the Collateral in connection with any tax lien, debt, judgment, assessment or obligation of Debtor.

(5) Death, dissolution, termination of existence, insolvency or business failure of the Debtor or any endorser, guarantor or surety of any of the Obligations, or the commission of the act of bankruptcy by, or the appointment of receiver or other legal representative for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency law by or against, the Debtor or any endorser, guarantor or surety for any of the Obligations.

(6) Default in the performance of any other covenant or agreement of Debtor to Secured Party, whether under this Agreement or otherwise;

(7) The occurrence of any event which under the terms of any evidence of indebtedness, indenture, loan agreement, security agreement or similar instrument permits the acceleration of maturity of any indebtedness of Debtor to Secured Party, or to others than Secured Party; or Secured Party receives notification that another person has or expects to acquire a security interest in the Collateral or any part thereof.

V. REMEDIES

In the event of the default in the payment of any of the Obligations or any principal, interest or other amount payable thereunder, when due, or if the Secured Party deems itself insecure, or upon the happening of any of the events of default specified herein, and at any time thereafter, at the option of the holder thereof, any or all of the Obligations shall become immediately due and payable without presentment, demand, notice of intention to accelerate, notice of acceleration, notice of non-payment, protest, notice of dishonor, or any other notice whatsoever to the Debtor or any other person obligated thereon and the Secured Party shall have and may exercise with reference to the Collateral and Obligations any and all of the rights and remedies of a secured party under the Uniform Commercial Code as then in effect in the State of Texas, and as otherwise granted herein or under any other applicable law or under any other agreement executed by Debtor (all of which rights and remedies shall be cummulative), including, without limitation, the right and power to sell, at public or private sale or sales, or otherwise dispose of or utilize the Collateral and any part or parts thereof in any manner authorized or permitted under this Agreement or under the Uniform

Commercial Code after default by the Debtor, and to apply the proceeds thereof toward payment of any costs and expenses and attorneys' fees and legal expenses thereby incurred by the Secured Party and toward payment of the Obligations, in such order or manner as Secured Party may elect. To the extent permitted by law, Debtor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of Debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of Secured Party existing after default hereunder; and to the extent any such notice is required and cannot be waived, Debtor agrees that if such notice is mailed, postage prepaid, to the Debtor at the address shown hereinabove at least five (5) days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice.

Secured Party is hereby granted the right, at its option, either before or after default in payment of any of the Obligations or in the performance of any covenants secured hereby, to transfer at any time to itself or its nominee the securities or other property hereby pledged, or any part thereof, and to thereafter exercise all voting rights with respect to such security so transferred and to receive the proceeds, payments, moneys, income or benefits attributable or accruing thereto and to hold the same as security for the Obligations hereby secured, or at Secured Party's election, to apply such amounts to the Obligations, whether or not then due, in such order as Secured Party may elect, or, Secured Party may, at its option, without transferring such securities or property to its nominee, exercise all voting rights with respect to the securities pledged hereunder and vote all or any part of such securities at any regular or special meeting of shareholders, and the undersigned does hereby name, constitute and appoint as a proxy of the undersigned the President or any Vice President of Secured Party, in the undersigned's name, place and stead to vote any and all such securities, as said proxy may elect, for and in the name, place and stead of the undersigned, such proxy to be irrevocable and deemed coupled with an interest.

Debtor hereby agrees to cooperate fully with Secured Party in order to permit Secured Party to sell, at foreclosure or other private sale, the Collateral pledged hereunder. Specifically, Debtor agrees to fully comply with the securities laws of the United States and of the State of Texas and to take such action as may be necessary to permit Secured Party to sell or otherwise transfer the securities pledged hereunder in compliance with such laws.

VI. MISCELLANEOUS

Secured Party may, at its option, whether or not the Obligations are due, demand, sue for, collect or make any compromise or settlement it deems desirable with reference to the Collateral. The Secured Party shall not be obligated to take any steps necessary to preserve any rights in the Collateral against prior parties, which Debtor hereby is assumed to do.

No delay or omission on the part of Secured Party in exercising any rights hereunder shall operate as a waiver of any such right or any other right. A waiver on any one or more occasions shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

It is the intention of the parties hereto to comply with applicable usury laws; accordingly, it is agreed that notwithstanding any provision to the contrary in this Security Agreement, or in any of the documents evidencing the Obligations or otherwise relating thereto, no such provision shall require the payment or permit the collection of interest in excess of the maximum permitted by such laws. If any excess of interest in such respect is provided for, or shall be adjudicated to be so provided for, in the Security Agreement, or in any of the documents evidencing the Obligations or otherwise relating thereto, then in such event (a) the provisions of this paragraph shall govern and control, (b) neither the Debtor hereof nor his heirs, legal representatives, successors or assigns or any other party liable for the payment hereof, shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by such laws, (c) any such excess which may have been collected shall be, at the option of the holder of the instrument evidencing the Obligations, either applied as a credit against the then unpaid principal amount thereof or refunded to the Maker thereof and (d) the effective rate of interest shall be automatically subject to reduction to the maximum lawful rate allowed to be lawfully contracted for by Debtor under applicable usury laws as now or hereafter construed by the courts having jurisdiction.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind his heirs, executors, or administrators and his or its successors or assigns. The rights and remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided herein shall not be construed as a waiver of any of the other remedies of Secured Party.

The security interest hereby granted and all the terms and provisions hereof shall be deemed a continuing security agreement and shall continue in full force and effect, and all the terms and provisions hereof shall remain effective as between the parties, until first to occur of the following: (i) the expiration of four (4) years from the date of payment of Debtor's last obligation to Secured Party; or (ii) repayment by Debtor of all Obligations secured hereby and the giving by Debtor of ten (10) days written notice of revocation of the terms and provisions hereof.

This Security Agreement and the security interest herein granted are in addition to, and not in substitution, novation or discharge of, any and all prior or contemporaneous security agreements and security interests in favor of Secured Party or assigned to Secured Party by others. All rights, powers and remedies of Secured Party in all such security agreements are cumulative, but in the event of actual conflict in terms and conditions, the terms and conditions of the latest security agreement shall govern and control.

Any provision found to be invalid under the laws of the State of Texas, or any other State having jurisdiction or other applicable law, shall be invalid only with respect to the offending provision. All words used herein shall be construed of such gender or number as the circumstances require. If this Security Agreement is executed by more than one debtor, the Obligations of all such debtors shall be joint and several. The law of the State of Texas shall apply to this Agreement and its construction and interpretation.

EXECUTED THIS 5th day of NOVEMBER, 19 84.

NOTARY PUBLIC

State of Texas
County of Harris

Subscribed to & sworn before me this
6th day of November, 1984

ASSOCIATED RAILCAR, INC.

BY- [signature]

"Debtor"

[signature]

Notary Public, Harris County, Texas

BUFORD R. LUKE, JR.
461-58-3321
Notary Public in State of Texas
My Commission Expires [illegible]

OWNER'S CONSENT TO PLEDGE

For value received and in order to induce the named Secured Party to extend credit to, and enter into the foregoing agreement with the above-named Debtor, the undersigned hereby: (1) represents and warrants that the above described Collateral is owned absolutely by the undersigned (or by the undersigned and said Debtor) free of any adverse claim, encumbrance or security interest, except for the security interest granted by the above Security Agreement (and such other interest as may be specified above in the space provided for the description of the Collateral), (2) grants, and consents to said Debtor's granting, the security interest in said Collateral granted by the foregoing Security Agreement to secure payment of the Obligations therein defined and all renewals or extensions thereof; (3) authorizes said Secured Party (a) at any time or times to receive and accept said Collateral from said Debtor, and also any other collateral standing in the name of or owned by the undersigned which said Debtor may hereafter at any time or from time to time deposit with said Secured Party, as Collateral to secure payment of said Obligations and any and all renewals or extensions thereof, (b) to hold, transfer and dispose of any and all such Collateral upon the terms and conditions of said Security Agreement and (c) to renew or extend the time of payment of, or grant any other indulgence concerning, any of such Obligations, to substitute, exchange, surrender or release all or any part of such Collateral or any other security for such Obligations, to release any party primarily or secondarily liable on any of such Obligations (including any maker, endorser or guarantor), to deliver all or any part of such Collateral or the proceeds thereof to or upon the order of said Debtor, to delay or omit to exercise any right to power hereunder or with respect to any of such Obligations, and to use and deal with such Collateral or proceeds in like manner as though said Debtor were the sole and absolute owner thereof, all without in any manner impairing or affecting said Secured Party's rights hereunder or under said Security Agreement; and (4) waives any right to complain about the failure of Secured Party to perfect any security interest or lien and notice of any action by Secured Party hereinabove authorized, including without limitation notice of creation, existence, extension or renewal of any of such Obligations.

This Agreement shall be irrevocable and binding upon the undersigned, his heirs, personal representatives, successors, and assigns, until the above-mentioned Obligations have been paid in full.

EXECUTED at ______________________ (City) ______________________ (County) ______________________ (State) this ______ day of ______________________, 19______.

____
"Owner"

Address: ______________________

____

ASSOCIATED RAILCAR, INC.

EXHIBIT "A"

CAR INITIALS	CAR NO.	DATE BUILT	CAPACITY IN CUBIC FEET
ARGX	834026	7/67	5250 CUBIC FEET
ARGX	834050	8/67	5250 CUBIC FEET
ARGX	834063	11/77	5250 CUBIC FEET
ARGX	834056	10/67	5250 CUBIC FEET
ARGX	834073	1/68	5250 CUBIC FEET
ARGX	834055	8/67	5250 CUBIC FEET
ARGX	834065	8/67	5250 CUBIC FEET
ARGX	834076	11/67	5250 CUBIC FEET
ARGX	834088	11/67	5250 CUBIC FEET

ASSOCIATED RAILCAR, INC.

BY- J. L. Jones

ASSOCIATED RAILCAR, INC.

EXHIBIT "A"

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ARGX	834076	11/67	5250 CUBIC FEET
ARGX	834088	11/67	5250 CUBIC FEET

ASSOCIATED RAILCAR, INC.

BY- _____

ASSOCIATED RAILCAR, INC.

EXHIBIT "A"

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ARGX	834065	8/67	5250 CUBIC FEET
ARGX	834076	11/67	5250 CUBIC FEET
ARGX	834088	11/67	5250 CUBIC FEET

ASSOCIATED RAILCAR, INC.

BY- _____