



PARK NATIONAL BANK

OF HOUSTON

RECORDATION NO. **14525** FILED 1425

JOYCE TYLER
Loan Administration Officer

JAN 2 1985 9 10 AM

~~INTERSTATE COMMERCE COMMISSION~~ December 26, 1984

Interstate Commerce Commission
12th Street and Constitution N.W.
Washington, D.C. 20423
Attention: Room 2303

RE: Recording Security Interest in Railroad Cars on Fred E. Simmons, Jr.

Chief Recording Clerk:

Park National Bank of Houston, 1313 Binz, Houston, Texas 77288, is forwarding duplicate Security Agreements on Railway Equipment, Cars # 134 & 138, Class-DOT112J340W Built January, 1980, executed by owner Fred E. Simmons, Jr. to be recorded pursuant S1116 of Title 49 of the code of Federal Regulations.

Sincerely,

Joyce Tyler

Interstate Commerce Commission
Washington, D.C. 20423

1/2/85

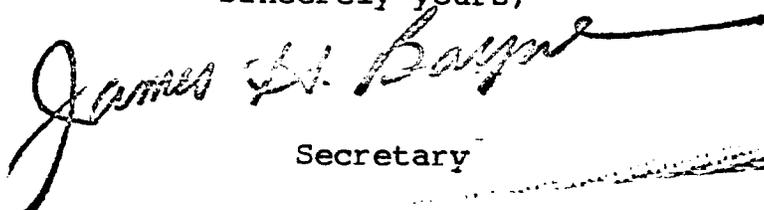
OFFICE OF THE SECRETARY

Joyce Tyler
Loan Administration Officer }
Park National Bank
1313 Blinz, P.O. Box 88110
Houston, Texas 77288

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 1/2/85 at 9:50am and assigned re-
recording number(s). 14525

Sincerely yours,


Secretary

Enclosure(s)



PARK NATIONAL BANK

OF HOUSTON

1313 BINZ P. O. BOX 88110 HOUSTON, TEXAS 77266
MEMBER F.D.I.C.

REGISTRATION NO. 14525 Filed 1425

JAN 2 1985 9 50 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

In consideration of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable considerations in hand paid, the receipt and sufficiency of which is hereby acknowledged and confessed, Fred E. Simmons, Jr.

(hereinafter called "Debtor", whether one or more), whose mailing address is 1400 Hermann

Houston, Texas 77004

and PARK NATIONAL BANK OF HOUSTON (hereinafter called "Secured Party"), whose address is 1313 Binz, Houston, Texas 77004, agree s follows:

Each Debtor, jointly and severally, hereby assigns, transfers and grants to Secured Party a security interest in and to all Collateral described or referred to in this Security Agreement to secure all indebtedness, of whatever kind and character, now owing or which may hereafter become owing by any Debtor to Secured Party, whether such indebtedness is evidenced by a note, open account, overdraft, endorsement, surety agreement, guaranty agreement, or otherwise, and whether such indebtedness is present or future, direct or indirect, primary or secondary, fixed or contingent or otherwise, and whether such indebtedness was heretofore, is now or may hereafter be created or incurred, and whether such indebtedness was originally owed to Secured Party or owed to others and acquired by purchase or otherwise by Secured Party.

The Collateral of this Security Agreement is all of the following described goods, instruments, general intangibles, securities and other property, rights and interests, to-wit:

1. Railway Equipment, Car #134 & 138, Class-DOT112J340W
Date Built January, 1980

and

2. If checked, all accounts, contract rights, general intangibles, instruments and chattel paper of every kind, type, nature and description (including, but not limited to, all accounts, contract rights, general intangibles and chattel paper described or referred to in any schedule or exhibit attached hereto, if any) which are now owned and which are hereafter acquired by any Debtor and all goods, property, rights and interests, the sale or lease of which gave rise to any such accounts, contract rights, general intangibles or chattel paper; and

3. If checked, all inventory of every kind, type, nature and description (including, but not limited to, all inventory described or referred to in any schedule or exhibit attached hereto, if any), and all additions and accessions thereto, which are now owned and which are hereafter acquired by any Debtor, and all products of all of such inventory; and

4. If checked, all equipment of every kind, type, nature and description (including, but not limited to, all equipment described or referred to in any schedule or exhibit attached hereto, if any), and all additions and accessions thereto, which are now owned and which are hereafter acquired by any Debtor; and

5. All accounts, instruments, general intangibles and contract rights with respect or in any manner pertaining to any of the Collateral described or referred to herein, and all stock rights, rights to subscribe, liquidating dividends, dividends paid in stock, new securities or other properties, rights or interest which any Debtor may hereafter become entitled to receive on account of any Collateral described or referred to herein, and all replacements and substitutions of any Collateral described or referred to herein; and

6. All other goods, property, instruments, securities, general intangibles, rights and interests now owned or hereafter acquired by any Debtor and previously, presently or in the future deposited with or in the possession of Secured Party or described or referred to on any schedule or exhibit attached hereto, and all attachments and accessions thereto and all products thereof, and all money, instruments, securities and other property heretofore now or hereafter delivered to, deposited with or in the possession, custody or control of Secured Party in any manner or for any purpose whatsoever which is now owned or hereafter acquired by any Debtor (whether held in a general or special account or deposit or deposited for safekeeping or otherwise) and all other sums at any time credited by or due from Secured Party to any Debtor; and

7. All proceeds of all of the Collateral described or referred to herein and all proceeds of all cash proceeds of all of the Collateral described or referred to herein (including, but not limited to, all inventory, equipment, instruments, documents, accounts, contract rights, chattel paper, general intangibles, certificates of deposit, money, bullion, coins, deposit accounts, goods covered by documents, and all other goods, property, rights and interests of every kind, type, nature and description which are acquired with any such cash proceeds).

Each Debtor shall pay to Secured Party any and/all sum or sums due or which may become due pursuant to any promissory note or notes or any other writing heretofore, now or hereafter executed by any Debtor to evidence any Debtor's indebtedness to Secured Party, in accordance with the terms of such promissory note or notes or other writing and the terms of this Security Agreement. Each Debtor shall pay to Secured Party on demand all expenses and expenditures incurred, or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum lawful rate of interest allowed by the applicable law of the United States of America or the State of Texas which allows the highest rate of interest from the date such expenses or expenditures were first accrued or paid until payment thereof in full by Debtor. At the option of Secured Party, each Debtor shall pay immediately, without demand, notice of any such default or event, notice that Secured Party will not accept late payments, notice of intent to accelerate maturity, notice of other act or notice whatsoever, the entire unpaid indebtedness (less unearned finance charges, if any) of each such Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon any Debtor's default under this Security Agreement.

duty of Secured Party, its successors and assigns, being to use reasonable care in the physical custody of the Collateral which is delivered to Secured Party. All money and cash proceeds of Collateral as and when made and received by Secured Party may be applied, at Secured Party's option, after deduction of any collection costs incurred, as payment on any indebtedness of any Debtor then or thereafter owing to Secured Party (whether or not then due) at any time and in any order, manner or priority as Secured Party may desire, or Secured Party may hold the same without liability for interest or other compensation as security for any indebtedness then or thereafter secured hereby; and

10. The offices, chief executive offices, the place of business and where each Debtor keeps his records concerning accounts and contract rights are the addresses shown at the beginning of this Agreement; and

11. Except for the items of Collateral now or hereafter in possession of Secured Party, the Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss and be kept at Debtor's address shown at the beginning of this agreement where Secured Party may inspect it at any time, except for its temporary removal in connection with its ordinary use or unless Debtor notifies Secured Party in writing and Secured Party consents in writing in advance of its removal to another location; and

12. Each Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of (a) his address as shown at the beginning of this Security Agreement; (b) the location of his place of business as set forth in this Security Agreement; and (c) the location of the office where he keeps his records as set forth in this Security Agreement; and

13. Debtor will have and maintain insurance at all times with respect to all Collateral in an amount equal to the full insurable value thereof against risks of fire, theft and such other risks as Secured Party may require, including standard extended coverage, and in the case of motor vehicles, including collision coverage. Such insurance policies shall contain such terms, be in a form, 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. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for the Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. Secured Party may apply any proceeds of such insurance which may be received by it as payment on any indebtedness of any Debtor then or thereafter owing to Secured Party (whether or not then due) at any time and in any order, manner or priority as Secured Party may desire, or Secured Party may hold the same without liability for interest or other compensation as security for any indebtedness then or thereafter secured hereby; and

14. Without the prior written consent of Secured Party, Debtor will not acquire any inventory or equipment subject to any lien, encumbrance or security interest then owned or held by any person or entity other than Secured Party; and

15. Secured Party may take any steps which Secured Party deems necessary or advisable to collect any or all accounts, contract rights, proceeds or other Collateral, or to sell, transfer, compromise, discharge or extend the whole or any part of the accounts, contract rights, proceeds or other Collateral, and apply the proceeds thereof to any indebtedness of any Debtor then or thereafter owing to Secured Party (whether or not then due) at any time and in any order, manner or priority as Secured Party may desire, or Secured Party may hold the same without liability for interest or other compensation as security for any indebtedness then or thereafter secured hereby; and

16. Secured Party may render and send to any Debtor a statement of account showing loans made, all other charges, expenses and items chargeable to Debtor, payment made by Debtor against the loans, proceeds collected and applied to the loans, other appropriate debits and credits, and the total of Debtor's indebtedness on the loans as of the date of the statement of account, and the statement of account shall be considered correct in all respects and accepted by and conclusively binding upon each Debtor, except for specified objections which Debtor makes in writing within five days from the date upon which the statement of account is sent; and

17. The Collateral will not be misused or abused, wasted or allowed to deteriorate, and will not be used in violation of any statute or ordinance; and

18. Demand, notice of any default or event, notice that Secured Party will not accept late payments, notice of intent to accelerate maturity, notice of acceleration of maturity, presentment for payment or acceleration, protest, notice of protest or any other act or notice whatsoever by Secured Party under this Security Agreement or in connection with any note or notes, or other indebtedness or any Collateral securing same, except as otherwise provided in this Security Agreement, is hereby waived; and any indulgence of Secured Party, substitution for, exchange of, or release of Collateral, in whole or in part, or addition or release of any person liable on the Collateral or for any indebtednesses now or hereafter secured hereby, in whole or in part, is hereby assented and consented to by each Debtor; and

19. Each Debtor shall pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and all premiums for insurance required by Secured Party, and upon failure to do so, Secured Party at its option may (but shall have no obligations to) pay any of such amounts and Secured Party shall be the sole judge of the legality or validity of such taxes and the amount necessary to discharge the same and all matters with respect to such insurance required by Secured Party and the premiums therefor, and if Debtor does not obtain, furnish and pay the premiums for such insurance, Secured Party may obtain such insurance covering only its interest as Secured Party may desire. Any such payment by Secured Party 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 maximum lawful rate of interest allowed by the applicable laws of the United States of America or the State of Texas which allows the highest rate of interest from the date of such payment by Secured Party until paid in full by Debtor; and

20. If Secured Party should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value, then Secured Party may call for additional collateral satisfactory to Secured Party, and each Debtor promises to furnish such additional collateral satisfactory to Secured Party, and each Debtor promises to furnish such additional collateral forthwith. The call for additional collateral may be oral or by telegram or by United States mail addressed to the address of Debtor shown above; and

21. Secured Party may at any time notify and/or make demand on any and all persons and entities obligated on or for any of the Collateral to make all payments due and/or to become due thereon directly to Secured Party, and all payments made on the Collateral which are received by any Debtor shall immediately be paid to Secured Party, and all such sums may be held by Secured Party as Collateral, without liability for interest or other compensation, or applied to any Debtor's indebtedness then or thereafter owing to Secured Party (whether or not then due) the time, manner, order and priority of the application to be in the sole discretion of the Secured Party, and in order for the said Secured Party to exercise its rights hereunder, it shall not be necessary that any default exist in the performance of any covenant and condition contained in this Security Agreement or in any indebtedness now or hereafter secured hereby. While it is contemplated that the payments made on Collateral may be used for the purpose of paying the indebtednesses now or hereafter secured hereby, nothing herein shall be construed as relieving any Debtor from the payment of any indebtedness now or hereafter secured hereby according to the terms, tenor and effect of the promissory notes, instruments or agreements evidencing such indebtedness.

Each 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. Any Debtor's failure to pay when due any indebtedness now or hereafter secured by this Security Agreement, either principal or interest or any other charges or sums; or

2. Failure of any Debtor to punctually perform any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note or other writing now or hereafter secured hereby or the performance by any Debtor of (or allowing the performance of) any act which is prohibited or agreed not to be done herein or in any note or other writing now or hereafter secured hereby; or

3. Any warranty, representation or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of any Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to any Debtor is believed by Secured Party at any time to be false or misleading (in whole or in part) in any respect when made or furnished; or

4. The loss, theft, substantial damage, destruction, sale or encumbrance of or at any of the Collateral, or the making or attempting of any levy on or seizure of or attachment of any of the Collateral including, without limitation, the application for or issuance of a writ of garnishment, writ of sequestration, writ of attachment or any other legal process or proceeding; or

5. Any Debtor's death, dissolution, termination of existence, insolvency, business failure or the failure of any Debtor to continue in any business that any Debtor is now engaged at the level and volume substantially equal to the level and volume such business is now being conducted; the appointment of a receiver of all or any part of the property of any Debtor; an assignment for the benefit of creditors by any Debtor; the calling of a meeting or existence of a committee of creditors of any Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against any Debtor or any guarantor, surety or endorser for any Debtor; or

6. Any statement of the financial condition of any Debtor or of any guarantor, surety or endorser for any Debtor or any other statement or writing heretofore, now or hereafter made by any Debtor in any manner pertaining to or connected with any indebtedness of any Debtor or any of the Collateral is believed in good faith at any time by Secured Party to be false or misleading; or

7. The Collateral becomes, in the judgment of Secured Party, unsatisfactory or insufficient in character or value; or

8. Any guarantor, surety or endorser for any Debtor defaults in any obligation or liability to Secured Party; or

9. The Secured Party in good faith believes the prospect of payment of any indebtedness now or hereafter secured hereby or the performance of any obligations contained herein or in any other writing securing or otherwise pertaining to any of such indebtedness now or hereafter secured hereby is impaired.

EXHIBIT (A)

BILL OF SALE

THIS AGREEMENT dated this 17th day of December, 1984, is by and between GLNX CORPORATION, a corporation organized and existing under the laws of the State of Texas (hereinafter called "Seller"), and Fred E. Simmons, Jr. (hereinafter called "Buyer").

In consideration of \$10.00 in hand paid and other good and valuable consideration, the receipt of all of which is hereby acknowledged, Seller does hereby sell and convey to Buyer the railroad car described below, which cars were manufactured by Trinity Industries.

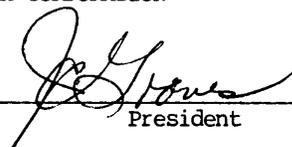
<u>Quantity</u>	<u>Type</u>	<u>Car Number</u>
2	34,000 Gallon, DOT Specification 112J340W Tank Cars equipped with 100 Ton Roller Bearing Trucks	GLNX 134, 138

Seller hereby warrants that it has title to the described property and that the described property is free from all items and encumbrances, and Seller further agrees to forever warrant and defend the title to the described property unto Buyer, its successors and assigns, against all lawful claims.

GLNX CORPORATION

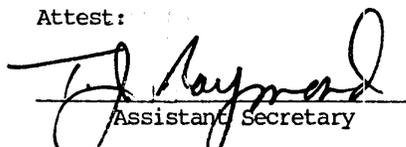
(SEAL)

BY



President

Attest:



Assistant Secretary

THE STATE OF TEXAS

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared James C. Graves of GLNX CORPORATION, known to me to be the person and officer whose name is subscribed for the foregoing instrument, and acknowledged to me that the same was the act of GLNX CORPORATION, a corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of December, 1984.



Notary Public in and for
STATE OF TEXAS

(SEAL)