

7-028A035

No. _____
Date JAN 28 1987
Fee \$ 40.00
ICC Washington, D.C.

100 OFFICE OF
THE SECRETARY
JAN 28 2 56 PM '87
MOTOR OPERATING UNIT

January 14, 1987

Certified Mail
Return Receipt Requested

Ms. Noreta McGee
Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 12740 Filed & Recorded
JAN 28 1987 3-05 PM

Dear Ms. McGee:

INTERSTATE COMMERCE COMMISSION

I am enclosing an original and certified true copy of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code and pursuant to 49 CFR §1177. The first document is a First Amendment to Security Agreement, a secondary document, dated September 16, 1985. The second document is a Second Amendment to Security Agreement, a secondary document, dated December 31, 1986. The primary document to which these documents are connected is recorded under Recordation No. 12740. The names and addresses of the parties to the documents are as follows:

(1) The name and address of the Bank/Secured Party is:

First City National Bank of Houston
1001 Main Street
Houston, Texas 77002

(2) The name and address of the Borrower/Debtor is:

TrusFive Incorporated
2001 Kirby
Suite 1114
Houston, Texas 77019

(3) The property covered by the primary document includes railway equipment as described in Exhibit "A" attached hereto.

A fee of \$40.00 is enclosed. Please return the originals and any extra copies not needed by the Commission for recordation to:

Secretary's Office

Ms. Noreta McGee
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Jack W. Collier
Bracewell & Patterson
2900 South Tower Pennzoil Place
Houston, Texas 77002

Short summaries of the documents to appear in the index are as follows:

First Amendment to Security Agreement executed as of September 16, 1985 by TrusFive Incorporated ("Borrower") and First City National Bank of Houston ("Bank") in connection with that certain Security Agreement executed by Borrower and Bank and dated as of December 23, 1980 with Recordation No. 12740, dated January 12, 1981 and covering the following property:

- (1) Forty-five (45) railroad cars more fully described on Exhibit "A" attached hereto;
- (2) All right, title and interest now owned or hereafter acquired by Borrower in and to that certain Management Agreement dated as of November 15, 1979, between GLNX Corporation, a Texas corporation, and Borrower;
- (3) All right, title and interest now owned or hereafter acquired by Borrower in and to that certain Management Agreement dated as of May 15, 1980, between Glenco and Borrower;
- (4) All right, title and interest now owned or hereafter acquired by Borrower in and to all now or hereafter existing leases of any of the Cars;
- (5) All right, title and interest now owned or hereafter acquired by Borrower in that certain Tax Sharing Agreement by and between Borrower and Summit Resources Corporation, a Delaware corporation, dated as of January 4, 1980; and
- (6) Each Bank Collateral Account and each Additional Collateral Account.

Second Amendment to Security Agreement executed as of December 31, 1986 by TrusFive Incorporated ("Borrower") and

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January 14, 1987
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First City National Bank of Houston ("Bank") in connection with that certain Security Agreement executed by Borrower and Bank and dated as of December 23, 1980 with Recordation No. 12740, dated January 12, 1981 and covering the following property:

- (1) Forty-five (45) railroad cars more fully described on Exhibit "A" attached hereto;
- (2) All right, title and interest now owned or hereafter acquired by Borrower in and to that certain Management Agreement dated as of November 15, 1979, between GLNX Corporation, a Texas corporation, and Borrower;
- (3) All right, title and interest now owned or hereafter acquired by Borrower in and to that certain Management Agreement dated as of May 15, 1980, between Glenco and Borrower;
- (4) All right, title and interest now owned or hereafter acquired by Borrower in and to all now or hereafter existing leases of any of the Cars;
- (5) All right, title and interest now owned or hereafter acquired by Borrower in that certain Tax Sharing Agreement by and between Borrower and Summit Resources Corporation, a Delaware corporation, dated as of January 4, 1980; and
- (6) Each Bank Collateral Account and each Additional Collateral Account.

If you have any questions regarding this matter, or if you need further information, please call Jack W. Collier at (713) 221-1404.

Very truly yours,

FIRST CITY NATIONAL BANK
OF HOUSTON

By: Steven L. Anderson
Name: Steven L. Anderson
Title: Vice President

Exhibit "A"

<u>Number</u>	<u>Type of Car</u>	<u>Serial #'s</u>
10	34,000 gallon, general purpose, pressure tank cars, DOT 105A300W.	GLNX 34144 GLNX 34145 GLNX 34146 GLNX 34147 GLNX 34148 GLNX 34149 GLNX 34150 GLNX 34151 GLNX 34152 & GLNX 34153
2	23,500 gallon, general purpose non-pressure tank cars, DOT 111A100W3, exterior coiled and insulated.	GLNX 23113 & GLNX 23114
5	4,750 cubic foot, covered hoppers, type "LO" cars; three compartments; mechanical gates.	GLNX 415 GLNX 416 GLNX 417 GLNX 418 & GLNX 419
28	23,500 gallon, general purpose non-pressure tank cars, DOT 111A100W3, exterior coiled and insulated.	GLNX 23184 through GLNX 23193, inclusive; GLNX 23195 through GLNX 23197, inclusive; GLNX 23238 GLNX 23239 GLNX 23241 GLNX 23242, GLNX 23245 through GLNX 23248, inclusive; GLNX 23209; GLNX 23215; GLNX 23216; GLNX 23217; GLNX 23221; GLNX 23232; and GLNX 23236

RECORDATION NO. 12740-13 Filed & Recorded

JAN 28 1987 3:05 PM

INTERSTATE COMMERCE COMMISSION

SECOND AMENDMENT TO SECURITY AGREEMENT

THIS SECOND AMENDMENT TO SECURITY AGREEMENT (the "Second Amendment") executed by Trusfive Incorporated, a Texas corporation (the "Borrower").

W I T N E S S E T H:

WHEREAS, the Borrower is indebted to the Bank under that certain promissory note dated September 12, 1986 in the original principal amount of \$2,224,069.86 ("Current Note"), such note constituting an extension and rearrangement of the indebtedness owing by the Borrower to the Bank pursuant to (i) the Commercial Letter of Credit Agreement dated December 23, 1980 ("Credit Agreement") executed by the Borrower and (ii) the related Irrevocable Letter of Credit issued by the Bank in the maximum amount \$2,742,193.74 (the indebtedness outstanding under such Credit Agreement and the related Letter of Credit being hereinafter referred to as "Original Indebtedness"); and

WHEREAS, Borrower executed that certain Security Agreement dated December 23, 1980, as amended by that First Amendment to Security Agreement dated September 16, 1985 ("Security Agreement") granting to Bank a security interest in certain property to secure the performance and payment of all obligations and indebtedness of Borrower to Bank, including but not limited to the Original Indebtedness, and all extensions, renewals and rearrangements thereof; and

WHEREAS, Borrower has requested that the Bank extend and rearrange the Current Note in accordance with the terms of that certain Loan Renewal Agreement dated December 31, 1986 ("Loan Renewal Agreement") among the Bank, the Borrower and the other parties thereto, and the Bank is willing to do so upon the terms and provisions of the Loan Renewal Agreement and this Second Amendment; and

WHEREAS, pursuant to the Loan Renewal Agreement and in renewal and rearrangement of the Current Note, Borrower is executing and delivering to the Bank a promissory note dated December 31, 1986 in the original principal amount of \$1,351,114.05 ("Term Note") and a promissory note dated December 31, 1986 in the original principal amount of \$560,000 ("Additional Note"), it being the intent of Borrower and the Bank that the indebtedness evidenced by the Term Note will be secured by the Security Agreement, but

that the indebtedness evidenced by the Additional Note will be an unsecured obligation of Borrower and will not be secured by the Security Agreement;

NOW, THEREFORE, for an in consideration of said extension the Borrower and Bank hereby agree as follows:

1. Amendments.

1.1 Section I. The reference to the obligations and indebtedness of Borrower to the Bank set forth in Section I of the Security Agreement shall be deemed to include the Current Note, the Term Note and the Guaranty Agreement dated December 31, 1986 pursuant to which Borrower is guaranteeing the performance of the obligations of Sam P. Douglass pursuant to that certain Contingent Stock Purchase Agreement dated December 31, 1986 between the Bank and Sam P. Douglass, but such reference shall not include the Additional Note, it being agreed that the obligations of Borrower under the Additional Note are not secured by the Security Agreement.

1.2 Section III. Paragraph 3. Section III, Paragraph 3 of the Security Agreement is hereby amended by deleting the portion of such Paragraph beginning with the words "Borrower will deliver to the Bank during January of each year following 1980, an unqualified audit report as of and for the year ended September 30..." and replacing such deleted portion with the following language:

Borrower shall provide the Bank with all financial information and other reports required to be furnished to Bank or requested by Bank pursuant to the Loan Renewal Agreement dated December 31, 1986 among the Bank, the Borrower and the other parties thereto.

1.3 Section III, Paragraph 6. Clauses (ii) and (iii) of Paragraph 6 of Section III of the Security Agreement now reading as follows:

"(ii) Liability insurance of at least \$500,000 per occurrence, with a deductible of not more than \$5,000 per occurrence; (iii) umbrella-type insurance coverage in an amount not less than \$20,000,000"

are hereby amended to read as follows:

"(ii) General liability insurance of at least \$2,000,000 with a deductible of not more than \$25,000 per occurrence; (iii) AAR depreciated value insurance of not less than \$1,000,000 with a deductible of not more than \$10,000 per occurrence;"

1.4 Section V. Section V of the Security Agreement is hereby amended by adding a new Paragraph 9, such Paragraph reading in its entirety as follows:

9. An "event of default" occurs under that certain Loan Renewal Agreement dated December 31, 1986 among Borrower, Bank and the other parties thereto.

1.5 Section VI, Paragraph 6. Paragraph 6 of Section VI is hereby amended to read in its entirety as follows:

6. Borrower receives quarterly payments from GLNX Corporation in the amount of the quarterly net lease rental payments from the lessees of the Cars. Borrower agrees to deposit all quarterly lease payment checks from GLNX Corporation and all other amounts received by Borrower respecting such net lease rental payments in account number 0017361 ("Additional Collateral Account") or such other account or accounts as may be designated by the Bank from time to time. Such account number 0017361, each other such account(s) and all Paragraph 6 Investments (as hereinafter defined) shall each constitute an Additional Collateral Account for the purpose of this Agreement. Such deposits shall be made immediately upon receipt of such checks or funds. The Bank shall debit the Additional Collateral Account in the amount of the required installments of principal and accrued interest on the Term Note and credit the Term Note for the debited amount. It is agreed that the remainder of funds in this Additional Collateral Account are available (i) to reimburse GLNX Corporation from mandatory design changes made and paid for by GLNX Corporation on behalf of Borrower, for which Borrower as owner is

and for repairs

responsible and (ii) to pay account analysis fees (servicing fees) on the demand deposit and Additional Collateral Accounts at Bank as they become due. In the event that the amount in the Additional Collateral Account is insufficient to meet the required disbursements from such account, Borrower shall immediately deposit sufficient funds in such account to cover all required disbursements. At such time as the amount of funds in the Additional Collateral Account is equal to the principal and accrued interest on the Term Note, the Bank shall apply all amounts in the Additional Collateral Account to the payment of principal and accrued interest on the Term Note. Borrower shall have absolutely no control over, or rights or powers with respect to, any Additional Collateral Account or any amount at any time deposited therein, except to the limited extent that Borrower may designate investments as hereinafter provided. Without limiting the generality of the foregoing, it is expressly agreed that Borrower shall have no right or power to withdraw or order the withdrawal of any such amount or to sell, alienate, transfer, pledge or otherwise dispose of any Additional Collateral Account or any such amount except to the Bank. The Bank may, without notice to Borrower, or any other person, at its option, from time to time after the occurrence of an Event of Default, apply all or any portion of any amount at any time deposited in any Additional Collateral Account to the payment of any or all obligations and indebtedness secured hereby or may transfer all or any portion of any such amount to any Bank Collateral Account established pursuant to paragraph 5 of this Section VI. Nothing herein shall limit Bank's right of setoff against or any other right Bank may at any time have with respect to any Additional Collateral Account or any such amount or obligate Bank to preserve any Additional Collateral Account or any such amount for the benefit of any other person. Borrower hereby transfers and assigns to the Bank each Additional Collateral Account and all amounts at any time deposited therein. Bank shall use its best efforts prior to the occurrence of an Event of Default to invest from time to time any such

amount in such of the following permitted investments ("Paragraph 6 Investments") as may be designated in writing by Borrower to Bank: (i) certificates of deposits and other deposits (including Euro-Dollar deposits) with Bank or other banks organized under the laws of the United States or any state thereof and having a combined capital and surplus greater than \$50,000,000 and (ii) United States Treasury bills; provided, however, that such investments need be made by Bank only if the Bank at all times has an enforceable and perfected security interest of first priority therein; and, provided further, however, that the Bank need not make any such investment if the final maturity of such investment is later than ninety (90) days following the date such investment is made. After the occurrence of an Event of Default the Bank shall have the right but not the obligation to make such investments. Bank shall have no obligation to obtain the then market interest rate or any other minimum interest rate on any such investment. Except as may be provided in the terms of any Paragraph 6 Investments, no Additional Collateral Account shall bear interest. The Borrower shall have no right to possession of any Additional Collateral Account or any amount at any time deposited therein.

2. No Other Amendments.

Except as expressly provided for in this Second Amendment, no term or provision of the Security Agreement shall be amended or supplemented hereby and each term and provision of the Security Agreement are hereby ratified and affirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Security Agreement to be executed as of December 31, 1986.

TRUSFIVE INCORPORATED

By: Tim W. Fogelson
Name: Tim W. Fogelson
Title: Vice President

FIRST CITY NATIONAL BANK OF HOUSTON

By: William S. Romney
Name: WILLIAM S. ROMNEY
Title: VICE PRESIDENT

THE STATE OF TEXAS §

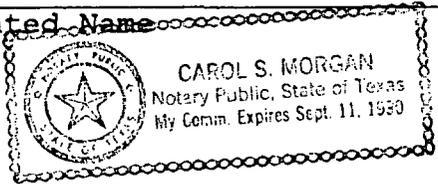
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this the 31st day personally appeared Tom W. Spalding known to me to be the person whose name is subscribed to the foregoing instrument, as The President of Trusfive Incorporated, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this 31st day of December, 1986.

Carol S. Morgan
Notary Public in and for the State of Texas
My Commission Expires: _____

Printed Name _____



140MMA/C

CERTIFICATE

The undersigned hereby certifies that he or she has compared the copy of the Second Amendment to Security Agreement executed by TrusFive Incorporated attached hereto with the original and has found the copy to be complete and identical in all respects to the original document.



LAURA COOKSEY
Notary Public, State of Texas
My Commission Expires 5/6/89

Laura S. Cooksey
Name: LAURA S. COOKSEY
Notary Public in and for
The State of Texas
My Commission Expires: 05/06/89