

# Allied Bank West

1500 WAUGH DRIVE  
1300 POST OAK BLVD.  
P.O. BOX 4401  
HOUSTON, TEXAS 77210-4401

Date 10/27/87  
Fee \$ 10.00  
City Washington, D. C.

October 15, 1987

RECORDATION NO. 1 534 *KA*

OCT 27 1987 - 10 22 AM

INTERSTATE COMMERCE COMMISSION

Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

Dear Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303 are the original and two counterparts of an Assignment of Leases dated as of October 15, 1987, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Assignor:           Transportation Equipment, Inc.  
601 South East Street  
Weimar, Texas 78962

Assignee:           Allied Bank West  
1300 Post Oak Boulevard  
Houston, Texas 77027

Included in the property covered by the aforesaid Assignment of Leases are leases covering railroad cars intended for use related to interstate commerce, or interests therein, owned by Transportation Equipment, Inc. at the date of said Assignment of Leases or thereafter acquired by it or its successors as owners of the water carriers or the lines of railway covered by the Assignment of Leases.

Also enclosed is a check in the amount of \$10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Please return the stamped original and two counterparts of the enclosed document to David M. Koogler, Butler & Binion, 1600 Allied Bank Plaza, Houston, Texas 77002.

October 15, 1987

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A short summary of the enclosed primary document to appear in the Commission's Index is:

Assignment of Leases dated as of October 15, 1987 between Transportation Equipment, Inc., a Texas corporation and Allied Bank West, Assignor, covering leases of railroad cars intended for use related to interstate commerce, or interests therein, owned by Transportation Equipment, Inc. at the date of said Assignment of Leases or thereafter acquired by it or its successors as owners of the lines of railway covered by the Assignment of Leases.

Very truly yours,

ALLIED BANK WEST

By



Marc A. Dunmire

Assistant Vice President

DMKO-107/g

ASSIGNMENT OF LEASES

RECORDATION NO. 5341/A  
FEB 14 1988

OCT 27 1987 - 10 22 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNOR: Transportation Equipment, Inc.  
601 South East Street  
Weimar, Texas 78962

ASSIGNEE: Allied Bank West  
1300 Post Oak Boulevard  
Houston, Texas 77027

For good and valuable consideration and in order to secure the punctual payment and performance of the following: (i) that certain promissory note dated as of even date herewith in the original principal sum of \$450,000, executed by Transportation Equipment I, Ltd., a Texas limited partnership (the "Borrower") and payable to the order of Assignee, and any and all extensions, renewals, modifications and rearrangements thereof (the "Note"), (ii) certain obligations of Borrower to Assignee under that certain loan agreement (the "Loan Agreement") dated as of even date herewith, by and between Assignee and Borrower, and all extensions, renewals, modifications and arrangements thereof, and (iii) any and all other liabilities and obligations whatsoever of Assignor and, or, Borrower to Assignee in connection with the Loan Agreement whether direct or indirect, absolute or contingent, primary or secondary, due or to become and whether now existing or hereafter arising and howsoever evidenced or acquired, whether joint or several or joint and several (all of which are herein separately and collectively referred to as the "Obligations"). Assignor acknowledges that the assignment and security interests hereby granted shall secure all future advances under the Note as well as any and all other liabilities and obligations of Assignor and, or, Borrower to Assignee in connection with the Note and Loan Agreement whether now in existence or hereafter arising.

Assignor hereby assigns, transfers, delivers and sets over to Assignee, and grants to Assignee a security interest in and to, any and all of Assignor's interest in all leases, management agreements, and, or, other rights to payment of any kind (hereinafter collectively called the "Leases") related to any and all railroad cars of Borrower (including, without limitation, those certain railroad cars described on Exhibit A attached hereto and made a part hereof for all purposes, wheresoever located, now owned or hereafter acquired), whether written or oral, and all rights and remedies (but not the liabilities or obligations) therein, including the right to collect rent due thereon, to

repossess the property in the event of default by the Lessee and the right, either in Assignee's own name or in the name of Assignor, to take such legal proceedings or other action as Assignor might have taken save for this assignment, and all proceeds of any of the foregoing.

This assignment is being made as security for the payment and performance of the Obligations and shall not relieve Assignor of any of its obligations under the Leases as to which Assignor shall remain liable to the same extent as if this assignment had not been executed. Assignee assumes no liability to perform any of Assignor's obligations under the Leases and shall have no liability hereunder arising from the failure of Assignor to duly perform any of such obligations. At such time as no amounts of indebtedness or obligations remain owing by the Borrower, and, or Assignor, as applicable, to the Assignee, and no obligations of the Assignee to advance any amounts of credit to the Borrower pursuant to the Notes or otherwise, and so long as no event of default has occurred and is continuing under the terms of any agreement by and between Borrower, and, or, Assignor and Assignee, Assignee, at the written request and expense of the Assignor, will release, reassign and transfer unto the Assignor the Leases and declare this instrument to be of no further force and effect.

Assignee shall have the right, in its own name or in the name of Assignor at any time, after default, to notify any and all lessees to make payment directly to Assignee and to demand, collect, receive, receipt for, sue for, compound and give acquittal for any and all amounts due or to become due on the Leases and to endorse the name of Assignor on all commercial paper given in payment or part payment thereof, and in its discretion to file any claim or take any other action or proceeding which Assignee may deem necessary or appropriate to protect and preserve and realize upon the security interest of Assignee in the Leases. Unless and until Assignee elects to collect rent and the privilege of Assignor to collect rent is revoked by Assignee in writing, Assignor shall continue to collect rent and account for same to Assignee, and shall not commingle the proceeds of collection of rent with any funds of the Assignor. In order to assure collection of rent in which Assignee has a security interest (or pledge or assignment as applicable) hereunder, Assignee may notify the post office authorities to change the address for delivery of mail addressed to Assignor to such address as Assignee may designate, and to open and dispose of such mail and receive the collections of rent included herewith. Assignee shall have no duty or obligation whatsoever to collect any rent or to take any other action to preserve or protect the Leases.

Upon Assignee's request, whether before or after default, Assignor shall take such action and execute and deliver such documents as Assignee may reasonably request in order to identify, confirm, mark, segregate and assign the Leases, and to evidence Assignee's interest in same. Without limitation of the foregoing, Assignor, upon request, agrees to identify and mark Leases as being subject to the security interest (or pledge or assignment as applicable) granted hereby, mark Assignor's books and records to reflect such assignments, and forthwith to transmit to Assignee in the form as received by Assignor any and all proceeds of collection of such Leases.

This agreement is in addition to and not in substitution for any and all other security agreements and other agreements by and between Assignee and Assignor regarding the Leases, and may be relied upon by the lessee under any of the Leases in remitting payment to Assignee pursuant to any demand by Assignee hereunder.

EXECUTED as of the 15th day of October, 1987.

TRANSPORTATION EQUIPMENT, INC.

By Robert R. Huette  
Robert R. Huette  
President

- DEBTOR -

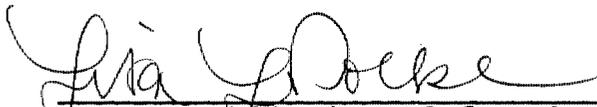
ALLIED BANK WEST

By Marc A. Dunmire  
Marc A. Dunmire  
Assistant Vice President

- SECURED PARTY -

STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

On this 15 day of October, 1987 before me personally appeared, Robert R. Huette, to me personally known, who being by me duly sworn, says that he is the President of TRANSPORTATION EQUIPMENT, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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 corporation.

  
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

My Commission Expires:  
9-14-88

STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

On this 26<sup>th</sup> day of October, 1987 before me personally appeared, Marc A. Dunmire, to me personally known, who being by me duly sworn, says that he is the Assistant Vice President of ALLIED BANK WEST, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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 corporation.

  
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Notary Public in and for the  
State of Texas

My Commission Expires:  
5-29-90

DMKO-221/E

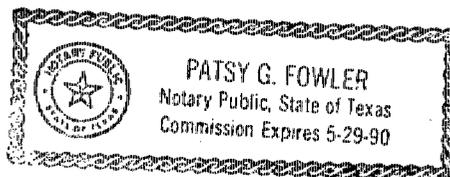


EXHIBIT A

Thirty (30) 23,500 gallon nominal capacity cars, DOT-111A100W3, exterior coiled and insulated; 100 ton roller bearing trucks bearing the following identifying marks and numbers:

1.	RTMX	13069;	TEIX	2313
2.	RTMX	13073;	TEIX	2325
3.	RTMX	12867;	TEIX	2324
4.	RTMX	12869;	TEIX	2323
5.	RTMX	12874;	TEIX	2308
6.	RTMX	12697;	TEIX	2302
7.	RTMX	12698;	TEIX	2319
8.	RTMX	12546;	TEIX	2306
9.	RTMX	12545;	TEIX	2305
10.	RTMX	12547;	TEIX	2300
11.	RTMX	12718;	TEIX	2318
12.	RTMX	12719;	TEIX	2301
13.	RTMX	12720;	TEIX	2317
14.	RTMX	12721;	TEIX	2304
15.	RTMX	12722;	TEIX	2328
16.	RTMX	12723;	TEIX	2329
17.	RTMX	12724;	TEIX	2312
18.	RTMX	12725;	TEIX	2303
19.	RTMX	12726;	TEIX	2309
20.	RTMX	12727;	TEIX	2327
21.	RTMX	12936;	TEIX	2322
22.	RTMX	13001;	TEIX	2310
23.	RTMX	13002;	TEIX	2326
24.	RTMX	13322;	TEIX	2311
25.	RTMX	13323;	TEIX	2321
26.	RTMX	13324;	TEIX	2315
27.	RTMX	13325;	TEIX	2320
28.	RTMX	13326;	TEIX	2307
29.	RTMX	13327;	TEIX	2314
30.	RTMX	13328;	TEIX	2316