Community Bank

RECORDATION NO. 20477 FILED 1425
JAN 14 1997 -4 20 PM

RECORDATION NO. 20477-A FILED 1425
JAN 14 1997 -4 20 PM

RECEIVED-
SURFACE TRANSPORTATION BOARD
JAN 14 4 18 PM '97

December 20, 1996

Vernon A. Williams, Secretary
Surface Transportation Board
Washington, D. C. 20423-0001

Dear Secretary:

Please find enclosed an original and one copy/counterpart of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

The respective documents are: (I) a Security Agreement (a primary document) dated December 20, 1996, and (ii) an Assignment of Rents and Leases (a secondary document), dated December 20, 1996.

The primary document to which this is connected is to be recorded concurrently with the said secondary document.

We request that the Assignment be cross-indexed.

The names and address of the parties to the documents are as follows:

(i) The Security Agreement:

Debtor: JED W. HELMCAMP
2202 Lytham Lane
Katy, Tx. 77450

Secured Party: COMMUNITY BANK
P. O. Box 737
Katy, Tx. 77492-0737

(ii) The Assignment of Rents and Leases:

Assignor: JED W. HELMCAMP
2202 Lytham Lane
Katy, Tx. 77450

Assignee: COMMUNITY BANK
P. O. Box 737
Katy, Tx. 77492-0737

A description of the equipment covered by the documents as follows:

TWO (2) 1996 CLASS LO ACF BUILT 5800 CU.FT. COVERED HOPPER CARS; CAR NUMBERS-TEIX 58148 AND TEIX 58190

A fee of $42.00 is enclosed.

After recordation, please return the original to the following:

Linda Lane, Vice President
Community Bank
P. O. Box 737
Katy, Tx. 77492-0737

Sincerely,

Linda Lane

Linda Lane
Vice President

enc.

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

1/14/97

Linda Lane
Vice President
Community Bank
P. O. Box 737
Katy, Texas 77492-0737

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/14/97 at 4:20PM, and assigned recordation number(s). 20477 and 20477-A.

Sincerely yours,

Vernon A. Williams

Vernon A. Williams
Secretary

Enclosure(s)

$ 44.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature Janice M. Fort

RECORDATION NO. 20472
JAN 14 1997 4:22 PM

SECURITY AGREEMENT

(ACCOUNTS, INVENTORY, EQUIPMENT, FIXTURES, GENERAL INTANGIBLES, OTHER)

COPY

DECEMBER 20, 1996
(Date)

JED W. HELMCAMP, whose address is **2202 LYTHAM LANE, KATY, TEXAS 77450**, hereinafter called "Debtor", for value received, the receipt and sufficiency of which is hereby acknowledged, hereby grants to **COMMUNITY BANK**, whose address is **P. O. BOX 737, KATY, TEXAS 77492-0737**, 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 that Secured Party has and shall continue to have a security interest in the following property, including without limitation the items described on Exhibits, if any, attached hereto and made a part hereof, to-wit: (CHECK APPROPRIATE BLOCK(S))

ACCOUNTS:

___ All accounts now owned or existing as well as any and all that may hereafter arise or be acquired by Debtor, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom , and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale or other disposition of inventory;

___ Only those specific accounts and/or contracts listed and described on Schedule A attached or which may hereafter be attached hereto, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale or other disposition of inventory;

INVENTORY:

___ All of Debtor's inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Debtor's business and all additions and accessions thereto and contracts with respect thereto and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof, including, without limitation, all of such which is now or hereafter located at the following locations:

_____

FIXTURES:

___ All of Debtor's fixtures and appurtenances thereto, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building(s) or structure(s), including all additions and accessions thereto and replacements thereof and articles in substitution therefor, howsoever attached or affixed, located at the following locations:

_____
(legal description)

The record owner of the real estate is .

EQUIPMENT:

___ All equipment of every nature and description whatsoever now owned or hereafter acquired by Debtor including all appurtenances and additions thereto and substitutions therefor, wheresoever located, including all tools, parts and accessories used in connection therewith;

GENERAL INTANGIBLES:

___ All other personal property now owned or hereafter acquired by Debtor other than goods, accounts, chattel paper, documents and instruments;

CHATTEL PAPER:

XX All of Debtor's interest under lease agreements, and other instruments or documents, whether now existing or owned by Debtor or hereafter arising or acquired by Debtor, evidencing both a debt and security interest in or lease of specific goods and/or equipment;

FARM PRODUCTS:

___ All of Debtor's interest in any and all crops, livestock and supplies used or produced by Debtor in farming operations wheresoever located; Debtor's residence is in the county show at the beginning of this Agreement, and Debtor agrees to notify promptly Secured Party of any change in the county of Debtor's residence; all of Debtor's crops or livestock are presently located in the following counties: _____

___ All of Debtor's now owned or existing as well as hereafter acquired or arising instruments and documents;

_X_ THE SPECIFIC COLLATERAL LISTED BELOW:

TWO (2) 1996 LO ACF BUILT 5800 CU.FT. COVERED HOPPER CARS - NUMBERS TEIX 58148 AND TEIX 58190

and accessions, additions and attachments thereto and the proceeds and products thereof, including without limitation, all cash, general intangibles, accounts, inventory, equipment, fixtures, farm products, notes, drafts, acceptances, instruments and chattel paper or other property, benefits or rights arising therefrom, and in and to all returned or repossessed goods arising from or relating to any of the collateral described herein or other proceeds of any sale or other disposition of such collateral (all of the foregoing hereinafter sometimes called the "Collateral").

The security interest granted hereby is to secure the payment of (i) certain note(s) of even date herewith, and any and all extensions, renewals and rearrangements thereof, executed by or on behalf of Debtor and payable to the order of Secured Party in the manner as therein provided, and (ii) any and all other indebtedness and liabilities whatsoever of 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, whether joint or several (all of which are hereinafter sometimes called the "Obligations"). Debtor acknowledges that the security interest hereby granted shall secure all future advances as well as any and all other obligations and liabilities of Debtor to Secured Party whether now in existence or hereafter arising.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR

(a) Except for the security interest granted hereby, the Debtor is, and as to the Collateral acquired after the date hereof which is included within the security interest specified in Section I hereof, Debtor will be, the owner of all such Collateral free from all adverse claims, security interests and encumbrances;

(b) There is no Financing Statement now on file in any public office covering any part of the Collateral, and so long as any amount remains unpaid on any Obligations of the Debtor to Secured Party, Debtor will no execute and there will not be on file in any public office any such Financing Statement or statements except the Financing Statement filed or to be filed in respect to the security interest hereby granted;

(c) Subject to any limitation stated therein or in connection therewith, all information furnished to Secured Party concerning the Collateral and proceeds thereof, or otherwise for the purpose of obtaining credit or an extension of credit, is or will be at the time the same is furnished, accurate and correct in all material respects.

(d) The Collateral will be used by the Debtor primarily for:

___ Personal, family or household purposes;
___ Farming Operations; or
_X_ Business Use.

(e) Except as herein provided, Debtor will not remove the Collateral from the county or counties designated at the beginning of this Agreement without the written consent of Secured Party. The address of Debtor designated at the beginning of this Agreement is Debtor's place of business if Debtor has only one place of business; Debtor's chief executive office if Debtor has more than one place of business; or Debtor's residence if Debtor has no place of business. Debtor agrees to notify Secured Party promptly of any change in such address.

III. PROVISIONS REGARDING ACCOUNTS.

The following provisions shall apply to all accounts included within the Collateral:

(a) Although it will be within Secured Party's discretion whether to make loans under this agreement, Debtor understands that Secured Party intends to limit its loans, advances or other extensions of credit so that the maximum aggregate principal amount at any one time remaining unpaid on all Obligations of Debtor to secured Party secured hereby shall not be in excess of _N/A_% of the aggregate amount owing to the Debtor for shipments of products previously made and for services rendered hereunder (such maximum ceiling on loans being hereinafter sometimes referred to as the "Loan Formula"). Debtor warrants that each and all of the accounts at any time included in the computation of the Loan Formula will be paid in full on or before _N/A_ days from the respective dates of the billing thereof, and accounts which remain unpaid in whole or in part beyond such period or in respect of which set-offs, defenses or counterclaims are claimed by the account debtor shall not be included in the Loan Formula. Notwithstanding the delivery of an assignment or identification pursuant hereto or the making of any loan in connection therewith, Secured Party may within 20 days after the date of each such assignment or

identification, respectively, by notice in writing to the Debtor reject as unacceptable any one or more or all of the accounts included in such assignment or identification; and in the event of any such rejection the Debtor shall forthwith pay and apply on its indebtedness to Secured Party an amount equal to the Loan Formula value of such rejected account or accounts and such account or accounts shall not thereafter be included in the Loan Formula. Any such rejection may be for any reason deemed by Secured Party to be sufficient and notice of such rejection shall be deemed sufficiently given if mailed to the Debtor by Secured Party within such 20-day period.

(b) The term "account", as used in this Security Agreement shall have the same meaning as set forth in the Uniform Commercial Code of Texas in effect as of the date of execution hereof, and as set forth in any amendment to the Uniform Commercial Code of Texas to become effective after the date of execution hereof, and also shall include all present and future notes, instruments, documents, general intangibles, drafts, acceptances and chattel paper of Debtor, and the proceeds thereof. As of the time any account becomes subject to such security interest, Debtor shall be deemed to have warranted as to each and all of such accounts (i) that each account and all papers and documents relating thereto are genuine and in all respects what they purport to be, (ii) that each account is valid and subsisting and arises out of a bona fide sale of goods sold and delivered to, or out of and for services theretofore actually rendered by the Debtor to, the account debtor named in the account, (iii) that the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any set-offs, credits, deductions or counter-charges, (iv) that the Debtor is the owner thereof free and clear of all liens, encumbrances and security interest of any and every nature whatsoever.

(c) Secured Party shall have the right in its own name or in the name of the Debtor, whether before or after default by the Debtor, to demand, collect, receive, receipt for, sue for, compound and give acquittal for, andy and all amounts due or to become due on the accounts and to endorse the name of the Debtor 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 Secured Party may deem necessary or appropriate to protect and preserve and realize upon the Security Interest of Secured Party in the Collateral. In order to assure collection of receivable sin which Secured Party has a security interest hereunder, Secured Party may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Secured Party may designate, and to open and dispose of such mail and receive the collections of accounts receivable included herewith.

(d) Debtor will from time to time execute such further instruments and do such further acts and things as Secured Party may reasonably require by way of further assurance to Secured Party an assignment or other form of identification in the form required by Secured Party of all accounts at any time included in the computation of the Loan Formula, together with such other evidence of the existence and identity of such accounts as Secured Party may reasonably require; and Debtor will mark its books and records to reflect the assignment of any such accounts, or other accounts which are included within the Security Interest specified in Section I hereof. Debtor will accompany each transmission of proceeds to Secured Party pursuant to subparagraph (a) above with a report in such form as Secured Party may require in order to identify the accounts to which such proceeds apply.

(e) Returned or repossessed goods arising from or relating to any accounts included within the security interest specified in Section I hereof shall if requested by Secured Party be held separate and apart from any other property. Debtor shall as often as requested by Secured Party, but not less often than weekly even though no special request has been made, report to Secured Party the appropriate identifying information with respect to such returned or repossessed goods relating to accounts included in assignments or identifications which remain unpaid in whole or in part beyond the period specified in the third sentence of the first paragraph of Section III hereof, or in respect of which set-offs, defenses or counterclaims are claimed by the account debtor. The Debtor shall forthwith pay and apply on its indebtedness to Secured Party an amount equal to the Loan Formula value of all accounts included in such reports.

IV. PROVISIONS REGARDING INVENTORY. The following provisions shall apply to all inventory included within the Collateral:

(a) As used herein, "Net Security Value of Inventory" shall mean the net value of all inventory after taking into account charges, liens and security interests (other than the interest of Secured Party), of all kinds against inventory, changes in the market value thereof, and all transportation, processing and other handling charges affecting the value thereof, all as determined by Secured Party in its sole discretion, which determination shall be final and binding upon Debtor. The term "Borrowing Base" shall mean an amount equal to N/A % of the Net Security Value of Inventory. Whenever the Borrowing Base is used as a measure of loans, it shall be computed as of and applied to the loans outstanding at the time in question.

(b) Although it is within Secured Party's discretion whether to extend credit pursuant hereto, Debtor understands Secured Party will use the Borrowing Base as a maximum ceiling on loans. Debtor agrees that, unless otherwise agreed by Secured Party in writing, the outstanding principal balance of loans hereunder together with interest due and unpaid thereon will at no time exceed the Borrowing Base, and agrees that if at any such time such excess shall arise, Debtor shall make payments in cash, on demand, in reduction of such interest and principal, in such amount as may be necessary to eliminate such excess.

(c) Debtor shall immediately notify Secured Party of any event causing loss or depreciation in value of the Collateral and the amount of such loss or depreciation, which amount shall be immediately reflected in the Net Security Value of Inventory unless otherwise agreed by Secured Party in writing. Debtor will deliver to Secured Party prior to the 10th day of each month a report, in form satisfactory to secured Party, with respect to the last preceding

month, showing Debtor's opening inventory, inventory acquired, inventory sold and delivered, inventory sold and held for future deliver, inventory returned or repossessed, inventory used or consumed in Debtor's business and closing inventory.

(d) Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of its place(s) of business as shown in this agreement, the places at which inventory is located as shown herein, the location of its chief executive office and the location of the office where it keeps its records as set forth herein. All Collateral will be located at the place(s) of business shown at the beginning of this agreement and in Section I as modified by any notice(s) given pursuant hereto.

(e) Until default, Debtor may use the inventory in any lawful manner not inconsistent with this agreement or with the terms or conditions of any policy of insurance thereon and may also sell that part of the Collateral consisting of inventory provided that all of such sales are in the ordinary course of business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt. Until default, Debtor may also use and consume any raw materials or supplies, the use and consumption of which are necessary in order to carry on Debtor's business.

(f) All accounts which are proceeds of the inventory collateral covered hereby shall be subject to all of the terms and provisions hereof pertaining to accounts.

V. GENERAL COVENANTS.

(a) Debtor will furnish to Secured Party a landlord's waiver of all liens with respect to any Collateral covered by this Security agreement which is or may be located upon leased premises, such landlord's waiver to be in the form acceptable to counsel for Secured Party.

(b) Debtor agrees to execute and deliver such Financing Statement or Statements, or amendments thereof or supplements thereto, or other instruments as Secured Party may from time to time require in order to comply with the Texas Uniform Commercial Code (or other applicable State law of the jurisdiction where any of the Collateral is located) and to preserve and protect the security interest hereby granted.

(c) Secured Party may, at its option, whether before or after default, but without obligation to the Debtor, discharge taxes, lien or security interests or other encumbrances at any time levied or placed upon the Collateral, and may place and pay for insurance thereon, or pay for the repair, improvement, maintenance and preservation of the Collateral and pay any filing or recording fees necessary to preserve and protect the security interest hereby granted. The Debtor agrees to reimburse Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization, and such amount shall constitute additional obligations of Debtor which shall be secured by and entitled to the benefits of 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 paid by Debtor.

(d) Secured Party shall have the right at any time, in its own name or in the name of Debtor, whether before or after default by Debtor, to notify any and all account debtors to make payment thereof directly to Secured Party and to demand, collect, receive, receipt for, sue for, compound for and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor 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 Secured Party may deem necessary or appropriate to protect and preserve and realize upon the security interest of Secured Party in the Collateral; but to the extent Secured Party does not so elect, Debtor shall continue to collect the accounts. Except as otherwise permitted by the proviso to this sentence, all proceeds of collection of accounts received by the Debtor shall forthwith be accounted for and transmitted to Secured Party in the form as received by Debtor and shall not be commingled with any funds of the Debtor; provided, however, that prior to default by Debtor in the payment of any Obligations to Secured Party or until the privilege given to Debtor by this proviso shall be revoked by Secured Party in writing, the Debtor need transmit to secured Party only the proceeds of accounts included in the identification or assignment made pursuant to Section III (d) hereof.

(e) Debtor shall at all reasonable times allow Secured Party by or through any of its officers, agents, attorneys or accountants, to examine or inspect the Collateral wherever located and to examine, inspect and make extracts from Debtor's books and records. Debtor shall do, make, execute and deliver all such additional and further acts, things, deeds, insurances, instruments as Secured Party may require, to more completely vest in and assure to Secured Party its rights hereunder and in or to the Collateral.

(f) Debtor shall have and maintain at all times with respect to all tangible collateral covered hereby insuring against risks of fire (including so-called extended coverage), theft and other risks as Secured Party may reasonably require, containing such terms, in such form and amounts and written by such companies as may be reasonably satisfactory to Secured Party, all of such insurance to contain loss payable clauses in favor of Secured Party as its interest may appear. All policies of insurance shall provide for ten (10) days written cancellation notice to Secured Party and at request of Secured Party shall be delivered to and held by it. Secured Party is hereby authorized to act as attorney for Debtor in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts or instruments. Secured Party shall be authorized to apply the proceeds from any insurance to the Obligations secured hereby whether or not such Obligations are then due and payable.

(g) Any and all deposits or other sums at any time credited by or due from Secured Party to Debtor shall at all times constitute additional security for the Obligations and amy be set off against any obligation at any time whether or not they are then due or other security held by Secured Party is considered by Secured Party to be adequate. At any time after default, any and all instruments, documents, policies and certificates of insurance, securities, goods, accounts, choses in action, chattel paper, general intangibles, cash, property and the proceeds thereof owned by Debtor or in which Debtor has an interest which after default hereunder are at any time in possession or control of Secured Party or in transit by mail or carrier to or from Secured Party or in the possession of a third party acting for Secured Party's benefit, without regard to whether Secured Party receives the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, shall constitute additional security for obligations of Debtor and may be applied at any time toward Obligations which are then due whether by acceleration or otherwise.

(h) 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, or should Secured Party deem payment of debtor's Obligations to Secured Party to be insecure, then Secured Party may call for additional Collateral satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional collateral may be oral, by telegram, or United States mail addressed to Debtor and shall not affect any other subsequent right of Secured Party to exercise the same. Debtor agrees that Secured Party shall have no duty or obligation to collect any account, or to take any other action to preserve or protect the Collateral; however, should Secured Party elect to collect any account or take possession of any Collateral, Debtor releases Secured Party from any claim or claims for loss or damage arising from any act or omission in connection therewith.

VI. EVENTS OF DEFAULT:

(a) Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein sometimes called an "Event of Default"): (i) failure of Debtor to pay when due any interest on or any principal or installment of principal of any Obligation of Debtor to Secured Party; (ii) 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; (iii) any representation or warranty made by Debtor herein or made in any statement or certificate furnished to Secured Party by the Debtor pursuant hereto or in connection with any loan or loans proves incorrect in any material respect as of the date of the making or issuance thereof; (iv) default occurs in the observance or performance by Debtor of any provision of this agreement or of any note, assignment or transfer under or pursuant thereto; (v) the dissolution, termination of existence, insolvency or business failure of the Debtor, or the application for the appointment of a receiver of any part of the property of the Debtor, or the commencement by or against the Debtor of any proceeding under any bankruptcy arrangement, reorganization, insolvency or similar law for the relief of debtors, or by or against any guarantor or surety for the Debtor, or upon the service of any warrant, attachment, levy, garnishment or similar process in relation to a tax lien, debt, judgment, obligation of Debtor or assessment; or (vi) the Collateral becomes, in the judgment of Secured Party, unsatisfactory or insufficient in character or value.

(b) Upon the occurrence of an Event of Default, or if Secured Party deems payment of Debtor's Obligations to Secured Party to be insecure, and at any time thereafter, Secured Party, may, at its option, without demand, acceleration, notice of nonpayment, presentment, protest, notice of dishonor, notice of acceleration or any other notice whatsoever, to the Debtor, declare all Obligations secured hereby immediately due and payable and Secured Party shall thereupon have the rights and remedies of a secured party under the Texas Uniform Commercial Code and as otherwise granted herein or under any applicable law or in any other agreement executed by Debtor (all of which rights and remedies shall be cumulative), including without limitation, the right to sell, lease or otherwise dispose of any or all of the Collateral and to apply the proceeds thereof toward payment of any costs and expenses and attorney's fees and legal expenses thereby incurred by the Secured Party and toward payment of the Obligations in such order or manner as the Secured Party may elect. Secured Party shall have the right to take immediate possession of the Collateral, with or without process of law, 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 the customarily sold on 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 a 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 the sale or disposition. Expenses of retaking, holding, repairing, improving, maintaining, preparing for sale, selling or the like shall include secured Party's reasonable attorney's fees and legal expense, plus interest thereon at a rate per annum at all times equal to the highest lawful contract rate permitted by applicable law of the State of Texas, and shall constitute additional Obligations of Debtor which shall be due on demand and which shall be secured by and entitled to the benefits of this Security Agreement. If the proceeds of any sale or other lawful disposition by Secured Party of the Collateral following its retaking, are insufficient to pay the expenses of retaking, repairing, holding, preparing the Collateral for sale, selling it and the like, to satisfy the Obligations of Debtor to Secured Party, then Debtor agrees to pay and deficiency, but Debtor shall be entitled to any surplus if one results after lawful application of all of such proceeds.

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

(d) It is the intention of the parties hereto to comply with the usury laws of the State of Texas; 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 law. If any excess of interest in such respect is provided for, or shall be adjudicated to be so provided for, in this 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 law, (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 the usury laws of the State of Texas as now or hereafter construed by the courts having jurisdiction.

(e) The 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.

VII. GENERAL:

(a) Any provision hereof found to be invalid under the law of the State of Texas, or any other State having jurisdiction, shall be invalid only with respect to the offending provision. All words used herein shall be construed to be 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. This Agreement shall be binding upon the heirs, personal representatives, successors or assigns of the parties hereto, but shall inure to the benefit of successor or assigns of the Secured Party only. The law of the State of Texas shall apply to this Agreement and its construction and interpretation.

(b) Any carbon, photographic or other reproduction of any financing statement signed by Debtor is sufficient as a financing statement for all purposes, including without limitation, filing in any state as may be permitted by the provisions of the Uniform Commercial Code of such state.

(c) In order to induce Secured Party to advance and loan such funds to and/or for the benefit of Debtor, Debtor hereby covenants and agrees that in the event of default (an event of default shall be any one of those Events of Default stated above) that the Secured Party shall have the absolute and unconditional right, without the prior notice and/or any prior hearing of any kind whatsoever, to seize and take possession of the Collateral, and furthermore the Debtor does hereby expressly waive any right to any prior notice and/or prior hearing prior to seizure and taking possession of the Collateral and/or property by the Secured Party in the event of default.

(d) 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 interest 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 of the latest security agreement shall govern and control.

(e) 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.

SIGNED in multiple original counterparts and delivered on the day and year first above written.

"DEBTOR"

Jed W Helmcamp

JED W. HELMCAMP

"LENDER"

COMMUNITY BANK

By: Richard E. Hamner
Title: Vice Chairman

THE STATE OF TEXAS]

COUNTY OF HARRIS]

This instrument was acknowledged before me on the 20th day of December, 1996, by **JED W. HELMCAMP.**

NOTARY PUBLIC, STATE OF TEXAS

LINDA LANE
Notary Public, State of Texas
My Commission Expires 3-06-99

THE STATE OF TEXAS]

COUNTY OF HARRIS]

This instrument was acknowledged before me on the 20th day of December, 1996, by **RICHARD E. HAMNER, VICE CHAIRMAN** of **COMMUNITY BANK**, in the capacity therein stated.

LINDA LANE
Notary Public, State of Texas
My Commission Expires 3-06-99

NOTARY PUBLIC, STATE OF TEXAS