

0100547038



September 23, 1994

19012-A  
MAY 11 1995  
RECORDED  
10:00 AM

RECEIVED  
OFFICE OF THE  
SECRETARY  
MAR 3 10 44 AM '95  
LICENSING BRANCH

Secretary, Interstate Commerce Commission  
12th and Constitution Avenue NW  
Room 2303  
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a Collateral Assignment of Lease Agreement, a secondary document, dated the 23rd day of September, 1994.

The primary document to which this secondary document is connected is recorded under Recordation No. 19012.

We request that this assignment be cross-indexed.

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

Assignor: ITG, Inc.  
106 North Main, Suite 200  
P. O. Box 1777  
Victoria, Texas 77901

Assignee: First Victoria National Bank  
101 S. Main Street/P. O. Box 1338  
Victoria, Texas 77902

A description of the equipment covered by the document is as follows: Eight LO C213 class, 100-ton capacity railway cars.

A fee of \$18.00 is enclosed. Please return the original and any extra copies not needed by the commission for recordation to Craig G. Friemel at First Victoria National Bank, P. O. Box 1338, Victoria, Texas 77902.

One DeLeon Plaza  
P.O. Box 1338  
Victoria, Texas 77902  
512/573-6321

Colony Creek Branch  
1206 N. John Stockbauer  
Victoria, Texas 77901  
512/573-1088

Secretary, Interstate Commerce Commission

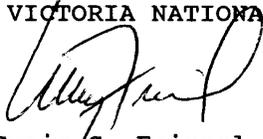
Page 2

September 23, 1994

A short summary of the document to appear in the index follows:  
Collateral Assignment of Lease Agreement from ITG, Inc., 106 North  
Main, Victoria, Texas 77901 to First Victoria National Bank, P. O.  
Box 1338, Victoria, Texas 77902, dated September 23, 1994, and  
covering Railroad Car Lease Agreement between ITG, Inc. and Redland  
Ohio, Inc., dated May 2, 1994, and covering eight LO C213 class,  
100-ton capacity railway cars, initial numbers ITGX 12000 through  
12007, inclusive.

Very truly yours,

FIRST VICTORIA NATIONAL BANK



By: Craig G. Friemel  
Its Vice President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on September 23rd,  
1994, by Craig G. Friemel, as Vice President of First Victoria  
National Bank, on behalf of said corporation.



Notary Public, State of Texas

**MARR, MEIER & HARTMAN, L.L.P.**

ATTORNEYS AT LAW

200 FIRST VICTORIA NATIONAL BANK BUILDING  
POST OFFICE BOX 550  
VICTORIA, TEXAS 77902-0550  
(512) 573-4344  
FAX (512) 573-1040

19012-A  
MAR 3 1995 11:31 AM

JACK W. MARR\*  
MICHAEL MEIER  
LISA J. HARTMAN\*  
R. BARTON BRADICICH, JR.

RICHARD HENDERSON  
OF COUNSEL  
\*BOARD CERTIFIED: FAMILY LAW  
STATE BAR OF TEXAS BOARD OF  
LEGAL SPECIALIZATION

Transmittal Memo

TO: SECRETARY, ICC DATE: FEBRUARY 27, 1995  
Attn: Janice Fort FROM: Michael Meier /dr  
RE: First Victoria National Bank, Assignee & ITG, Inc., Assignor

ENCLOSED is ~~an~~ a check for \$3.00 for additional filing fee on  
Collateral Assignment of Lease Agreement

- |  |  |
|--|--|
| <input type="checkbox"/> Please file with the papers of the above cause.   | <input type="checkbox"/> For your information                |
| <input type="checkbox"/> Enclosed is our check for \$_____.  | <input type="checkbox"/> For your files                      |
| <input type="checkbox"/> Please record   | <input type="checkbox"/> As per your request                 |
| <input type="checkbox"/> Please sign and return  | <input type="checkbox"/> Please read                         |
| <input type="checkbox"/> Please return   | <input type="checkbox"/> Please read and comment             |
| <input type="checkbox"/> Present to Judge for signature  | <input type="checkbox"/> Please read and advise how to reply |
| <input checked="" type="checkbox"/> <u>Copy of original letter sent to you is enclosed for identification of account to apply this additional \$3.00 to.</u> | <input type="checkbox"/> Please telephone                    |
| <input type="checkbox"/> By copy of this letter I am sending opposing counsel a copy of same.  |  |

cc: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VIA:  Regular Mail  
 Certified Mail  Return Receipt Requested # \_\_\_\_\_  
 Federal Express  Hand Delivery



Washington, D.C. 20423-0001

Office of the Secretary

3/3/95

Craig G. Friemel  
Vice President  
First Victoria National Bank  
One DeLeon Plaza  
P. O. Box 1338  
Victoria, Texas 77902

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 3/3/95 at 10:50AM, and assigned recordation number(s) 19012-A.

Sincerely yours,

Vernon A. Williams  
Secretary

Enclosure(s)

(0100547038)

\$ 21.00 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

19012-A  
MAR 2 1995 10:00 AM

COLLATERAL ASSIGNMENT OF LEASE AGREEMENT

THE STATE OF TEXAS §  
COUNTY OF VICTORIA § KNOW ALL MEN BY THESE PRESENTS:

THAT THIS ASSIGNMENT made as of the 23rd day of September, 1994, by ITG, INC., a Texas corporation, which has the address of 106 North Main, Victoria, Texas 77901, (hereinafter referred to as "Assignor," whether one or more), to First Victoria National Bank, a national banking corporation with offices located at 101 South Main, Victoria, Texas 77901 (hereinafter referred to as "Assignee"), as follows:

W I T N E S S E T H:

THAT Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby grants, transfers and assigns to Assignee all rents, charges and rights to payment of any kind arising from or under the terms of that certain Railroad Equipment Lease Agreement No. ITG-2375, dated May 2, 1994, by and between Assignor and Redland Ohio, Inc. and recorded with the Secretary of the Interstate Commerce Commission under I.C.C. Recordation No. 19012 and covering the railroad cars as described therein, and on Exhibit A attached hereto, together with all further leases or renewals thereof now or hereafter to be made or executed by Assignor, whether written or oral, covering all or any portion of said railroad cars or any substitutions or replacements therefor.

THIS ASSIGNMENT is made for the purposes of securing the following:

- a. The payment of the principal sum, interest and indebtedness evidenced by that certain promissory note ("Note") dated the 23rd day of September, 1994, and any amendments, extensions, or renewals thereof, in the original principal sum of \$138,000.00, executed by Assignor, and payable to the order of Assignee, at Victoria, in Victoria County, Texas, secured by a security agreement of even date herewith, by and between Assignor, as Debtor, and Assignee, as Secured Party, covering the above referenced railroad cars, among other collateral, and governed by the terms of a Loan Agreement dated the 10th day of September, 1990, between Assignor, as Borrower, and Assignee, as Lender, and the Guarantor named therein; and
- b. Payment of all other sums with interest thereon becoming due and payable to Assignee

under the provisions of this Assignment or of said Note, Security Agreement, and Loan Agreement;

- c. The performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in said Note, Security Agreement, and Loan Agreement; and
- d. Any and all other indebtedness of Assignor to Assignee now or hereafter owing, whether direct or indirect, primary or secondary, fixed or contingent, joint or several, regardless of how evidenced or arising.

Assignor covenants with Assignee to observe and perform all the obligations imposed upon the Lessor under any of said leases and not to do or permit to be done anything to impair the security thereof; not to collect any of the rents, income or profits arising or accruing under said leases in advance of the time when the same shall become due; not to execute any other assignment of lessor's interest in said leases or assignment of rents arising or accruing from said leases; not to alter, modify or change said leases without the prior written consent of Assignee; at Assignee's request to assign and transfer to Assignee any and all subsequent leases upon all or any part of the railroad cars described above; to regularly invoice the lessee under any such lease for rentals as required therein, including, but not limited to invoicing the lessee in the above described lease for rentals in accordance with that lease; to permit and direct that all lessees, including the said lessee, make all payments of rentals and other charges under said leases to Assignee directly and to take all steps necessary to notify, authorize and enable said lessees to make such payments to Assignor directly; and to execute and deliver at the request of Assignee all such further assurances and assignments as the Assignee shall from time to time reasonably require.

THIS ASSIGNMENT is made on the following terms, covenants and conditions:

1. All rentals, charges and other rights to payment coming due to Assignor under the terms of said leases shall be paid directly to Assignee at Victoria, in Victoria County, Texas, without regard in any way to whether any default has occurred in the payment of the principal sum, interest and indebtedness secured hereby and by said Note, Security Agreement, and Loan Agreement.

Assignor shall, and by this assignment does hereby authorize and direct the lessees under any such leases, including the lessee under the above described Lease Agreement No. ITG-2375, to pay all rentals, charges, and other payments coming due to Assignor under the terms of such leases to Assignee directly and to continue to do so until otherwise notified by Assignee.

2. Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to relet the railroad cars after any default under any lease agreement or from any act or omission of Assignee in managing any of the collateral after any such default. Nor shall Assignee be obligated to perform or discharge nor does Assignee hereby undertake to perform or discharge any liability, duty or obligation under any of said leases or under or by reason of this Assignment and Assignor shall, and does hereby agree, to indemnify Assignee for, and to hold Assignee harmless from, any and all liability, loss or damage which might be incurred under said leases or under or by reason of this Assignment and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Assignor incur any such liability under said leases or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby and Assignor shall reimburse Assignee therefor immediately upon demand, and upon the failure of Assignor so to do, Assignee may, at its option, declare all sums secured hereby and by said Note and Security Agreement, immediately due and payable. And it is further understood that this Assignment shall not operate to place responsibility upon Assignee for the purposes of carrying out any of the terms and conditions of said leases; nor shall it operate to make Assignee responsible or liable for any damage done to any of the leased property by the lessees or any other parties or for any dangerous or defective condition of the leased railroad cars, or for any negligence in the management,

upkeep, repair or control of the leased railroad cars resulting in loss or injury or death to any lessee, licensee, employee or any other person.

3. Upon payment in full of the principal sum, interest and indebtedness secured hereby and by said Note, Security Agreement, and Loan Agreement, this Assignment shall become and be void and of no effect, but the affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee showing any part of said principal, interest or indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment upon which any person may, and is hereby authorized to, rely. Assignor hereby authorizes and directs the lessees named in said leases or any further leases described herein upon receipt from Assignee of written notice to the effect that Assignee is then the holder of said Note, Security Agreement, and Loan Agreement, and that a default exists thereunder or under this assignment, to pay over to Assignee all rents, income and profits arising or accruing under said leases or from the railroad cars described therein or in said Note, Security Agreement, and Loan Agreement, and to continue so to do until otherwise notified by Assignee.

4. Assignee may take or release other security for the payment of said principal sum, interest and indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of such principal sum, interest, or indebtedness without prejudice to any of its rights under this Assignment.

5. The term "leases" or "said leases" as used herein means said leases hereby assigned, any extension or renewal thereof, and any leases subsequently executed during the term of this Assignment covering the railroad cars described above, or any portion thereof, or any substitutions or replacements therefor.

6. Nothing contained in this Assignment and no act done or omitted by Assignee pursuant to the powers and rights granted it

hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under said Note, Security Agreement, and Loan Agreement, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Assignee under the terms of said Note, Security Agreement, and Loan Agreement. The right of Assignee to collect said principal sum, interest and indebtedness and to enforce any other security therefor held by it may be exercised by Assignee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

THIS ASSIGNMENT, together with the covenants and warranties herein contained shall inure to the benefit of Assignee and any and all subsequent holders of said Note, Security Agreement, and Loan Agreement, and shall be binding upon Assignor, their successors and assigns, and any subsequent owner of the above described railroad cars.

WITNESS THE EXECUTION HEREOF as of the date first above written, in duplicate original counterparts.

ITG, INC.

ATTEST:

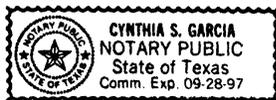
Cornie Perkins

By Michael Sagebiel  
Its President

STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on September 23, 1994, by Michael Sagebiel, as President of ITG, INC., a Texas corporation, on behalf of said corporation.



Cynthia S. Garcia  
Notary Public, State of Texas

EXHIBIT A

Car Initial Numbers:	12000 through 12007; inclusive
Car Owner's Marks:	ITGX
Class of Car:	LO C213
Number of Cars:	Eight (8)
Capacity of Cars:	100 tons, 4650 cu. ft.