OSTER
Researching Services
12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

Counter parts — Mary A. Oster

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LICENSING BRANCH

October 5, 1995

Mr. Vernon Williams
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Interstate Commerce Commission is a Security Agreement dated 9/14/95 between the following parties:

Secured Party: Texas Commerce Bank N.A.
700 Lavaca
Austin, Texas 78701

Debtor: Glenn A. Welsch, Trustee of The
Glenn Andrew Welsch 1988 Trust
3405 Taylors Drive
Austin, Texas 78703

The equipment included in this transaction is as follows:

Equipment: 6, Tank Cars
SGAX 1044-1049

Please record this agreement as a primary document. The filing fee of $21 is enclosed. Thank you for your assistance.

Sincerely,

Mary A. Oster

Mary Ann Oster
Research Consultant

Enclosures

14652
1995 AM
COMMISSION

SECURITY AGREEMENT

GLENN A. WELSCH, TRUSTEE OF THE GLENN ANDREW WELSCH 1988 TRUST ("Debtor"), whose address is c/o Glenn A. Welsch, 3405 Taylors Drive, Austin, Texas 78703, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION ("Secured Party"), a national banking association, whose address is 700 Lavaca, Austin, Texas 78701, Attention: Manager/Metropolitan Lending Group, agree as follows:

ARTICLE 1
Creation of Security Interest

In order to secure the prompt and unconditional payment of the indebtedness herein referred to and the performance of the obligations, covenants, agreements and undertakings herein described, Debtor hereby grants to Secured Party a security interest in and mortgages, assigns, transfers, delivers, pledges, sets over and confirms to Secured Party all of Debtor's remedies, powers, privileges, rights, titles and interests (including all power of Debtor, if any, to pass greater title than it has itself) of every kind and character now owned or hereafter acquired, created or arising in and to the following:

(a) Six (6) rail tank cars, more particularly described as follows (collectively the "Tank Cars"): (i) 23,607 gallon gross volume capacity tank car, having a serial number of 517060, and a reporting mark of SGAX1044; (ii) 23,674 gallon gross volume capacity tank car, having a serial number of 517061, and a reporting mark of SGAX1045; (iii) 23,683 gallon gross volume capacity tank car, having a serial number of 517062, and a reporting mark of SGAX1046; (iv) 23,626 gallon gross volume capacity tank car, having a serial number of 517063, and a reporting mark of SGAX1047; (v) 23,627 gallon gross volume capacity tank car, having a serial number of 517064, and a reporting mark of SGAX1048; and (vi) 23,637 gallon gross volume capacity tank car, having a serial number of 517065, and a reporting mark of SGAX1049, together with all component parts thereof and all appurtenances and accessions thereto;

(b) All of Debtor's right, title and interest of every kind and character now owned or hereafter acquired in, to or arising out of or in connection with that certain Management Agreement dated December 28, 1992, between Debtor and SGA Leasing Company, as the same may be amended or supplemented from time to time, and any other management or similar agreement which may hereafter be entered into by and between Debtor and any person or entity with respect to the management of the Tank Cars, as said management agreements and other similar agreements may be amended or supplemented from time to time (collectively the "Contracts"); and

(c) (i) All rights, remedies, powers, privileges and benefits of Debtor under any of the Contracts; (ii) all of Debtor's right, title and interest in and to all profits, income, surplus, monies and revenues of any kind accruing, and all rental payments, revenue streams and accounts arising, under or in respect of any of the Tank Cars or any of the Contracts; and (iii) all instruments, documents, chattel papers, general intangibles, credits, claims, demands and other property of any kind or character now or hereafter relating to, accruing or arising under in respect of any of the Tank Cars or any of the Contracts or paid, payable or otherwise distributed or distributable or transfered or transferable to Debtor under, in connection with or otherwise in respect of any of the Tank Cars or any of the Contracts;

together with all additions to and substitutions for any of the foregoing and all products and proceeds of any of the foregoing, together with all renewals and replacements of any of the foregoing, all books, records, contract rights and general intangibles arising in connection with any of the foregoing (including all insurance and claims for insurance affected or held for the benefit of Debtor or Secured Party in respect of the foregoing). All of the properties and interests described in this Article are herein collectively called the "Collateral." The inclusion of proceeds does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not authorized herein.

ARTICLE 2
Secured Indebtedness

2.1 This Agreement is made to secure all of the following present and future debt and obligations:

(a) All indebtedness now and hereafter evidenced and to be evidenced by (i) the promissory note dated concurrently herewith in the face amount of $321,300.00, bearing interest at the rate or rates therein stated, principal and interest payable to the order of Secured Party on the dates therein stated, with final payment due five (5) calendar years from the date thereof, executed by Debtor, and (ii) any and all past, concurrent or future modifications, extensions, renewals, rearrangements, replacements and increases of such note (collectively, the "Note").

(b) All other obligations, if any, described or referred to in any other place in this Agreement.

(c) Any and all sums and the interest which accrues on them as provided in this Agreement which Secured Party may advance or which Debtor may owe Secured Party pursuant to this Agreement on account of Debtor's failure to keep, observe or perform any of Debtor's covenants under this Agreement.

(d) All present and future debts and obligations under or pursuant to (1) any papers ("Credit Documents") now or in the future governing, evidencing, guaranteeing or securing or otherwise relating to payment of all or any part of the debt evidenced by the Note, or (2) all supplements, amendments, restatements, renewals, extensions, rearrangements, increases, expansions or replacements of them.

(e) All other present and future debt or other obligations of Debtor now or hereafter held or owned by Secured Party, whether direct or indirect, primary or secondary, fixed or contingent, several, joint or joint and several, and regardless of how incurred, evidenced, guaranteed or otherwise secured, including any present or future debt under any credit or loan agreement, any letter of credit application, any reimbursement, repurchase, reverse repurchase, swap or other agreement which absolutely or contingently creates any financial obligation, any guaranty or any other papers previously, concurrently or later executed by Debtor, or accepted by Debtor as binding upon Debtor. Debtor and Secured Party presently contemplate that Secured Party may at Secured Party's election lend sums or extend other financial accommodations to Debtor or for Debtor's account or benefit in the future and may acquire and become the owner and holder of other debt or obligations of Debtor from time to time, but that Secured Party has no obligation to do so. Debtor agrees that if Debtor should thus become indebted to Secured Party in any such additional sums (except in cases where Debtor and Secured Party have expressly agreed in writing to a different rate, a different maturity or both) all such other or future debt shall be due and payable on demand, the principal of such debt shall bear interest at the Past Due Rate (as defined in Section 4.2 below) from the date of its accrual, however it accrues, until paid, and all such other debt, both principal and interest, shall be secured by this Agreement as

well as by any and all other security which Secured Party may now or hereafter hold for it.

2.2 The term "Debt" means and includes every Note and all other debt and obligations described or referred to in Section 2.1. The Debt includes interest and other obligations accruing or arising after (a) commencement of any case under any bankruptcy or similar laws by or against Debtor or any other person or entity now or hereafter primarily or secondarily obligated to pay all or any part of the Debt (Debtor and each such other person or entity being herein called an "Obligor") or (b) the obligations of any Obligor shall cease to exist by operation of law or for any other reason. The Debt also includes all reasonable attorneys' fees and any other expenses incurred by Secured Party in enforcing any of the Credit Documents.

ARTICLE 3
Representations and Warranties

Debtor represents and warrants as follows:

(a) Debtor is the legal and equitable owner and holder of good and marketable title to the Collateral free of any adverse claim and free of any security interest or encumbrance except only for the security interest granted hereby in the Collateral and those other security interests (if any) expressly referred to or described in this Agreement (such warranty to supersede any provision contained in this Agreement limiting the liability of Debtor). Debtor agrees to defend the Collateral and its proceeds against all claims and demands of any person at any time claiming the Collateral, its proceeds or any interest in either. Debtor has not heretofore signed any financing statement directly or indirectly affecting the Collateral or any part of it which has not been completely terminated of record, and no such financing statement signed by Debtor is now on file in any public office except only those statements (if any) true and correct copies of which Debtor has actually delivered to Secured Party.

(b) The location of Debtor is the address set forth at the beginning of this Agreement and in this regard, Debtor's location is defined to mean (i) Debtor's place of business if Debtor has only one such place of business; (ii) Debtor's chief executive office if Debtor has more than one place of business; or (iii) Debtor's residence if Debtor has no place of business.

(c) All of Debtor's books and records with regard to the Collateral are maintained and kept at the address of Debtor set forth in this Agreement.

(d) No part of the Collateral is covered by a certificate of title or subject to any certificate of title law.

(e) No part of the Collateral consists or will consist of consumer goods, farm products, timber, minerals and the like (including oil and gas) or accounts resulting from the sale thereof.

(f) Debtor has never changed its name, whether by amendment of its organizational documents or otherwise.

(g) If Debtor is not a natural person, (i) Debtor is duly organized, validly existing and in good standing under the laws of the state of its organization and has full legal right, power and authority to carry on its business as presently conducted and to execute, deliver and perform its obligations under this Agreement and any other Credit Documents to which Debtor is a party, (ii) Debtor is duly qualified to do business and in good standing in each jurisdiction in which the nature of the business it conducts makes such qualification necessary or desirable and (iii) Debtor's execution, delivery and performance of this Agreement and any other Credit Documents to which Debtor is a party have been duly

authorized by all necessary action under Debtor's organizational documents and otherwise.

(h) Neither execution or delivery of this Agreement or any other Credit Document to which Debtor is a party, nor the fulfillment of or compliance with the terms and provisions hereof or thereof will (i) violate any constitutional provision, law or rule, or any regulation, order or decree of any governmental authority or the basic organizational documents of Debtor or (ii) conflict with or result in a breach of the terms, conditions or provisions of, or cause a default under, any agreement, instrument, franchise, license or concession to which Debtor is a party or bound.

(i) Debtor has duly and validly executed, issued and delivered this Agreement and any other Credit Documents to which Debtor is a party. This Agreement and each other Credit Document to which Debtor is a party is in proper legal form for prompt enforcement and is Debtor's valid and legally binding obligation, enforceable in accordance with its respective terms. Debtor's obligations under this Agreement and any other Credit Documents to which Debtor is a party rank and will rank at least equal in priority of payment with all of Debtor's other debt (except only for debt preferred by operation of law or debt disclosed in writing to Secured Party to be senior before Debtor's execution and delivery of this Agreement or the other applicable Credit Document).

(j) All information supplied to Secured Party, and all statements made to Secured Party by or on behalf of Debtor before, concurrently with or after Debtor's execution of this Agreement are and will be true, correct, complete, valid and genuine in all material respects. Each of Debtor's financial statements furnished to Secured Party fairly present the financial condition of Debtor as of its date and for the period then ended. No material adverse change has occurred in the financial condition reflected in any such statement since its date, and all assets listed on such statements are subject to Debtor's management, control and disposition and--except as shown therein--are available to satisfy any claims rightfully made pursuant to this Agreement and any other Credit Documents to which Debtor is a party.

(k) Debtor has filed all tax returns required to be filed and paid all taxes shown thereon to be due, including interest and penalties, except for taxes being diligently contested in good faith and for payment of which adequate reserves have been set aside.

(l) There is no action, suit or proceeding pending--or, to the best of Debtor's knowledge, threatened--against or affecting Debtor or the Collateral, at law or in equity, or before or by any governmental authority, which might result in any material adverse change in Debtor's business or financial condition or in the Collateral or in Debtor's other property or Debtor's interest in it.

(m) Debtor is now solvent, and no bankruptcy or insolvency proceedings are pending or contemplated by or--to Debtor's knowledge--against Debtor. Debtor's liabilities and obligations under this Agreement and any other Credit Documents to which Debtor is a party do not and will not render Debtor insolvent, cause Debtor's liabilities to exceed Debtor's assets or leave Debtor with too little capital to properly conduct all of its business as now conducted or contemplated to be conducted.

(n) Except as otherwise expressly permitted by this Agreement, the liens and security interests of this Agreement will constitute valid and perfected first and prior liens and security interests on the Collateral, subject to no other liens, security interests or charges whatsoever.

(o) Except as disclosed to Secured Party in writing prior to the date of this Agreement, none of the proceeds of the Note or the other Debt will be used for the purpose of purchasing or carrying, directly or indirectly, any margin stock or for any other purpose which would make such credit a "purpose credit" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

(p) Debtor and its manager(s) for the Tank Cars possess all permits and licenses required to own, operate and manage the Collateral.

(q) The existing Contracts are in full force and effect and there is no agreement amending, modifying or rearranging the existing Contracts or diminishing or impairing the liability of any person or entity primarily or secondarily obligated thereunder in respect of any of the Collateral to perform fully its obligations in strict accordance with the existing Contracts.

(r) Debtor has heretofore obtained the written consent of all necessary parties, if any, required to be obtained under the existing Contracts or otherwise to authorize the assignment, transfer, pledge of and the grant of the security interest in the Collateral evidenced by this Agreement (promptly upon request by Secured Party, Debtor agrees to furnish to Secured Party all executed original written consents, if any, as shall be required by Secured Party in connection with or arising out of the security interest granted hereby).

(s) The existing Contracts are the valid and legally binding obligations of the parties thereto, enforceable in accordance with their terms.

(t) True, correct and complete copies of the existing Contracts have heretofore been delivered to Secured Party.

ARTICLE 4
Covenants

4.1 Debtor covenants and agrees with Secured Party as follows:

(a) Debtor shall furnish to Secured Party such instruments as may be required by Secured Party to assure the transferability of the Collateral when and as often as may be requested by Secured Party.

(b) Debtor will cause to be paid before delinquency all taxes, charges, liens and assessments heretofore or hereafter levied or assessed against the Collateral, or any part thereof, or against Secured Party for or on account of the Debt or the interest created by this Agreement and will furnish Secured Party with receipts showing payment of such taxes and assessments at least ten (10) days before the applicable default date therefor.

(c) If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby shall be attacked, endangered or questioned or if any legal proceedings are instituted with respect thereto, Debtor will give prompt written notice thereof to Secured Party and at Debtor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, and Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests and other interests created or evidenced hereby, and all expenses so incurred

of every kind and character shall constitute sums advanced pursuant to Section 4.2 of this Agreement.

(d) Debtor will, on request of Secured Party, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record or file such further instruments (including further security agreements, financing statements and continuation statements) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Agreement and such other instruments and to subject to the security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically any renewals, additions, substitutions, replacements or appurtenances to the then Collateral; and (iii) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by Secured Party to protect the security interest hereunder against the rights or interests of third persons, and Debtor will pay all costs connected with any of the foregoing.

(e) Notwithstanding the security interest in proceeds granted herein, Debtor will not, except as otherwise expressly permitted herein, sell, lease, exchange, lend, rent, assign, transfer or otherwise dispose of, or pledge, hypothecate or grant any security interest in, or permit to exist any lien, security interest, charge or encumbrance against, all or any part of the Collateral or any interest therein or permit any of the foregoing to occur or arise or permit title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law or otherwise, without the prior written consent of Secured Party. Debtor shall not, without the prior written consent of Secured Party, (i) acquire any such Collateral under any arrangement whereby the seller or any other person retains or acquires any security interest in such Collateral or (ii) return or give possession of any such Collateral to any supplier or any other person except in the ordinary course of business.

(f) To the extent not prohibited by applicable law, Debtor will pay all costs and expenses and reimburse Secured Party for any and all expenditures of every character incurred or expended from time to time, regardless of whether or not a default shall have occurred, in connection with (a) the preparation, negotiation, documentation, closing, renewal, revision, modification, increase, review or restructuring of any loan or credit facility secured by this Agreement, including legal, accounting, auditing, architectural, engineering and inspection services and disbursements, or in connection with collecting or attempting to enforce or collect the Note or this Agreement, (b) Secured Party's evaluating, monitoring, administrating and protecting any of the Collateral and (c) Secured Party's creating, perfecting and realizing upon Secured Party's security interests in and liens on any of the Collateral, and all costs and expenses relating to Secured Party's exercising any of its rights and remedies under any Credit Document or at law, including all appraisal fees, consulting fees, filing fees, taxes, brokerage fees and commissions, title review and abstract fees, Uniform Commercial Code search fees, other fees and expenses incident to title searches, reports and security interests, escrow fees, attorneys' fees, legal expenses, court costs, other fees and expenses incurred in connection with any complete or partial liquidation of any of the Collateral and all fees and expenses for any professional services relating to any of the Collateral or any operations conducted in connection with it; provided, that no right or option granted by Debtor to Secured Party or otherwise arising pursuant to any provision of this or any other instrument shall be deemed to impose or admit a duty on Secured Party to supervise, monitor or control any aspect of the character or condition of any of the

Collateral or any operations conducted in connection with it for the benefit of Debtor or any other person or entity other than Secured Party. Debtor agrees to indemnify, defend and hold Secured Party, its shareholders, directors, officers, agents, attorneys, advisors and employees (collectively "Indemnified Parties") harmless from and against any and all loss, liability, obligation, damage, penalty, judgment, claim, deficiency, expense, action, suit, cost and disbursement of any kind or nature whatsoever (including interest, penalties, attorneys' fees and amounts paid in settlement), **REGARDLESS OF WHETHER CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES**, imposed on, incurred by or asserted against the Indemnified Parties growing out of or resulting from any Credit Document or any transaction or event contemplated therein (except that such indemnity shall not be paid to any Indemnified Party to the extent such loss, etc. directly results from the gross negligence or willful misconduct of that Indemnified Party). If any person or entity (including Debtor or any of its affiliates) ever alleges gross negligence or willful misconduct by an Indemnified Party, the full amount of indemnification provided for in this Section shall nonetheless be paid upon demand, subject to later adjustment or reimbursement at such time--if any--as a court of competent jurisdiction enters a final judgment as to the extent and effect of the alleged gross negligence or willful misconduct. Any amount to be paid under this Section by Debtor to Secured Party shall be a demand obligation owing by Debtor to Secured Party and shall bear interest from the date of expenditure until paid at the Past Due Rate (hereinafter defined).

(g) After the occurrence of an Event of Default, Debtor shall account fully and faithfully for and shall promptly pay or turn over to Secured Party the proceeds in whatever form received from the sale, disposition, leasing or realization in any manner of any of the Collateral, whether the Debt is mature or not. Debtor shall at all times after the occurrence of an Event of Default keep the Collateral and its proceeds separate and distinct from other property of Debtor. Debtor shall also keep at all times accurate and complete records of the Collateral and its proceeds. Debtor shall, where applicable, at Debtor's own expense take all reasonable and appropriate steps to enforce the collection of the Collateral and items representing proceeds thereof.

(h) Debtor will not change its address, location, name, identity or, if applicable, structure without notifying Secured Party of such change in writing at least thirty (30) days before the effective date of such change and unless Debtor shall have taken such action, satisfactory to Secured Party, to have caused the security interest of Secured Party in the Collateral to be at all times fully perfected and in full force and effect.

(i) Debtor agrees to provide, maintain and keep in force casualty, liability and other insurance for that portion of the Collateral which is tangible personal property as required by Secured Party. Debtor agrees that all required insurance will be written on forms acceptable to Secured Party and by companies having a Best's Insurance Guide Rating of not less than A or A+ and which are otherwise acceptable to Secured Party, and that such insurance (other than third party liability insurance) shall be written or endorsed so that all losses are payable to Secured Party. The original policies evidencing such insurance shall be delivered by Debtor to Secured Party and held by Secured Party, unless Secured Party expressly consents to accept insurance certificates instead. Each such policy shall expressly prohibit cancellation or modification of insurance without thirty (30) days' written notice to Secured Party. Debtor agrees to furnish due proof of payment of the premiums for all such insurance to Secured Party promptly after each such payment is made and in any case at least fifteen (15) days before payment becomes delinquent. Debtor hereby assigns to Secured Party the exclusive right to collect any and all monies that may become payable under any insurance policies covering any part of the Collateral, or any risk to or about the

Collateral. Foreclosure of this Agreement shall automatically constitute foreclosure upon all policies of insurance insuring any part of or risk to the Collateral and all claims thereunder arising from post-foreclosure events. The successful bidder or bidders for the Collateral at foreclosure, as their respective interests may appear, shall automatically accede to all of Debtor's rights in, under and to such policies and all post-foreclosure event claims, and such bidder(s) shall be named as insured(s) on request, whether or not the bill of sale to any such successful bidder mentions insurance. All proceeds of insurance which was paid for by Debtor or by anyone other than Secured Party or another holder of any of the Debt and which proceeds are actually received by Secured Party before foreclosure shall be applied in payment of the Debt or, at the option of Secured Party, shall be paid to Debtor or to such other person as is legally entitled to them. Unless Secured Party or Secured Party's representative reserves at the foreclosure sale the right to collect any uncollected insurance proceeds recoverable for events occurring before foreclosure (in which event the successful bidder at the sale, if not Secured Party, shall have no interest in such proceeds and Secured Party shall apply them, if and when collected, to the Debt in such order and manner as Secured Party shall then elect and remit any remaining balance to Debtor or to such other person or entity as is legally entitled to them), all proceeds of all such insurance which are not so reserved by Secured Party at the foreclosure sale and are not actually received by Secured Party until after foreclosure shall be the property of the successful bidder or bidders at foreclosure, as their interests may appear, and Debtor shall have no interest in them and shall receive no credit for them. Secured Party shall have no duty to Debtor or anyone else to either require or provide any insurance or to determine the adequacy or disclose any inadequacy of any insurance. If Secured Party elects at any time or for any reason to purchase insurance relating to the Collateral, it shall have no obligation to cause Debtor or anyone else to be named as an insured, to cause Debtor's or anyone else's interests to be insured or protected or to inform Debtor or anyone else that his or its interests are uninsured or underinsured.

(j) Debtor will conduct its business in full compliance with all requirements of governmental and quasi-governmental authorities having jurisdiction over Debtor or the Collateral and will comply with and punctually perform all of the covenants, agreements and obligations imposed upon it or the Collateral. Debtor will furnish to Secured Party copies of notices and reports received or sent by Debtor to or from each governmental and quasi-governmental authority within three (3) days of the receipt or giving thereof.

(k) Debtor will pay punctually and discharge when due, or renew or extend, any debt incurred by it and will discharge, perform and observe the covenants, provisions and conditions to be performed, discharged and observed on the part of Debtor in connection therewith, or in connection with any agreement or other instrument relating thereto or in connection with any mortgage, pledge or lien existing at any time upon any of the property or assets of Debtor; provided, however, that nothing contained in this section shall require Debtor to pay, discharge, renew or extend any such indebtedness or to discharge, perform or observe any such covenants, provisions and conditions so long as Debtor shall be diligently and in good faith contesting any claims which may be asserted against it with respect to any such indebtedness or any such covenants, provisions and conditions and shall set aside on its books reserves with respect thereto deemed adequate by Secured Party.

(l) Immediately upon acquiring knowledge of any material adverse change in the assets, liabilities, financial condition, business, operations, affairs or circumstances of any Obligor, Debtor will notify Secured Party in writing thereof, setting forth the nature of such change in reasonable detail.

Debtor will take, and will cause to be taken, all such steps as are necessary or appropriate to remedy promptly any such change.

(m) Immediately upon acquiring knowledge thereof, Debtor will notify Secured Party by telephone (and confirm such notice in writing within two (2) days) of the existence of any Event of Default, specifying the nature and duration thereof and what action Debtor has taken, is taking and proposes to take with respect thereto. In no event shall silence by Secured Party be deemed a waiver of a default or of an Event of Default. Debtor will take all such steps as are necessary or appropriate to remedy promptly any such default or Event of Default.

(n) Immediately upon obtaining knowledge of the institution of any proceedings arising out of injury or damage to the Collateral, or any portion thereof, Debtor will notify Secured Party in writing of the pendency of such proceedings. Secured Party may participate in any such proceedings, and Debtor shall from time to time deliver to Secured Party all instruments requested by it to permit such participation. Debtor shall, at its expense, diligently prosecute any such proceedings, and shall consult with Secured Party, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings.

(o) Debtor shall furnish to Secured Party from time to time such information relating to the Collateral or Debtor's financial condition and affairs as Secured Party may from time to time request or as may be required from time to time by any Credit Document.

(p) Debtor will not agree to a material modification of any of the Contracts without the prior written consent of Secured Party.

4.2 If Debtor should fail to comply with any of its agreements, covenants or obligations under this Agreement, the Note or any other Credit Document, then Secured Party (in Debtor's name or in Secured Party's own name) may perform them or cause them to be performed for Debtor's account and at Debtor's expense, but shall have no obligation to perform any of them or cause them to be performed. Any and all expenses thus incurred or paid by Secured Party shall be Debtor's obligations to Secured Party due and payable on demand, or if no demand is sooner made, then they shall be due on or before four (4) years after the respective dates on which they were incurred, and each shall bear interest from the date Secured Party pays it until the date Debtor repays it to Secured Party, at the maximum nonusurious rate of interest from time to time permitted by whichever of applicable Texas or federal law from time to time permits the higher nonusurious interest rate (the "Ceiling Rate"), or, only if applicable law imposes no maximum nonusurious rate, then at the same rate as is provided for in the Note first described in Section 2.1(a) for interest on past due principal (the "Past Due Rate"). At all times, if any, as Chapter One ("Chapter One") of Title 79, Texas Revised Civil Statutes shall establish the Ceiling Rate for any purpose under this Agreement, the Ceiling Rate shall be the "indicated rate ceiling" as defined in Chapter One from time to time in effect. Upon making any such payment or incurring any such expense, Secured Party shall be fully and automatically subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts owing by Debtor to Secured Party pursuant to this or any other provision of this Agreement shall automatically and without notice be and become a part of the Debt and shall be secured by this and all other instruments securing the Debt. The amount and nature of any such expense and the time when it was paid shall be fully established by the affidavit of Secured Party or any of Secured Party's officers or agents. Without notice to Debtor or any other person or entity, the Ceiling Rate and the Past Due Rate shall automatically fluctuate upward and downward as and in any amount by which the maximum nonusurious rate of interest permitted by such

applicable law and the rate of interest as provided for in the Note first described in Section 2.1(a) for interest on past due principal fluctuate, respectively. The exercise of the privileges granted to Secured Party in this Section shall in no event be considered or constitute a cure of the default or a waiver of Secured Party's right at any time after an Event of Default to declare the Debt to be at once due and payable, but is cumulative of such right and of all other rights given by this Agreement, the Note and the Credit Documents and of all rights given Secured Party by law.

ARTICLE 5

Assignment of Payments; Certain Powers of Secured Party

Debtor hereby authorizes and directs each account debtor and each other person or entity obligated to make payment in respect of any of the Collateral (each a "Collateral Obligor"), after the occurrence of an Event of Default, to pay over to Secured Party, its officers, agents or assigns, upon demand by Secured Party, all or any part of the Collateral without making any inquiries as to the status or balance of the Debt and without any notice to or further consent of Debtor. Debtor hereby agrees to indemnify each Collateral Obligor and hold each Collateral Obligor harmless from all expenses and losses which it may incur or suffer as a result of any payment it makes to Secured Party pursuant to this paragraph. To facilitate the rights of Secured Party hereunder, Debtor hereby authorizes Secured Party, its officers, employees, agents or assigns, at any time after the occurrence of an Event of Default which is then continuing:

(a) to notify Collateral Obligors of Secured Party's security interest in the Collateral and to collect all or any part of the Collateral without further notice to or further consent by Debtor, and Debtor hereby constitutes and appoints Secured Party the true and lawful attorney of Debtor (such agency being coupled with an interest), irrevocably, with power of substitution, in the name of Debtor or in its own name or otherwise, to take any of the actions described in the following clauses (b), (c), (d) and (e);

(b) to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all amounts which may be or become due or payable under the Collateral and to settle and/or adjust all disputes and/or claims directly with any Collateral Obligor and to compromise, extend the time for payment, arrange for payment in installments, otherwise modify the terms of, or release, any of the Collateral, on such terms and conditions as Secured Party may determine (without thereby incurring responsibility to or discharging or otherwise affecting the liability of Debtor to Secured Party under this Agreement or otherwise);

(c) to direct delivery of, receive, open and dispose of all mail addressed to Debtor and to execute, sign, endorse, transfer and deliver (in the name of Debtor or in its own name or otherwise) any and all receipts or other orders for the payment of money drawn on the Collateral and all notes, acceptances, commercial paper, drafts, checks, money orders and other instruments given in payment or in part payment thereof and all invoices, freight and express bills and bills of lading, storage receipts, warehouse receipts and other instruments and documents in respect of any of the Collateral and any other documents necessary to evidence, perfect and realize upon the security interests and obligations of this Agreement;

(d) 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 the rights, titles and interests of Secured Party hereunder; and

(e) to station one or more representatives of Secured Party on Debtor's premises for the purpose of exercising any rights, benefits or privileges available to Secured Party hereunder or under any of the Credit Documents or at law or in equity, including

receiving collections and taking possession of books and records relating to the Collateral.

It is expressly agreed that, anything herein contained to the contrary notwithstanding, Debtor shall remain liable under the Contracts to perform all of its obligations thereunder, and Secured Party shall have no obligation or liability with respect to the Tank Cars or under the Contracts by reason of or arising out of this Agreement, nor shall Secured Party be required or obligated by reason of this Agreement in any manner to perform or fulfill any obligation of Debtor under or pursuant to the Contracts or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it pursuant to or in connection with this Agreement. The powers conferred on Secured Party pursuant to this Article 5 are conferred solely to protect Secured Party's interest in the Collateral and shall not impose any duty or obligation on Secured Party to perform any of the powers herein conferred. No exercise of any of the rights provided for in this Article 5 shall constitute a retention of collateral in satisfaction of the indebtedness as provided for in Section 9.505 of the Uniform Commercial Code of Texas.

ARTICLE 6
Events of Default

The occurrence of any of the following events shall constitute a Default (herein so called) under this Agreement:

(a) Any part of the Debt is not paid when due, whether by lapse of time or acceleration or otherwise.

(b) Any Obligor fails to perform, observe or comply with--or defaults under--any of the terms, covenants, conditions or provisions of any Credit Document.

(c) Any representation or warranty made in any Credit Document or in any other report or other paper now or hereafter provided to Secured Party pursuant or incident to any Credit Document or the Debt proves to have been untrue or misleading in any material respect as of the date made or deemed made.

(d) Any Obligor: (i) voluntarily suspends transaction of business; (ii) becomes insolvent or fails generally to pay its debts as they mature; (iii) commences a voluntary case in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors; (iv) makes an assignment for the benefit of creditors; (v) applies for or consents to the appointment of a receiver or trustee for any such party or for any substantial portion of its property; or (vi) makes an assignment to an agent authorized to liquidate any substantial part of its assets.

(e) In respect of any Obligor: (i) an involuntary case shall be commenced with any court or other authority seeking reorganization or a creditor's arrangement of any such party; (ii) an order of any court or other authority shall be entered appointing any receiver or trustee for any such party or for any substantial portion of its property; or (iii) a writ or warrant of attachment or any similar process shall be issued by any court or other authority against any substantial portion of the property of any such party and such petition seeking liquidation, reorganization, creditor's arrangement or such order appointing a receiver or trustee is not vacated or stayed, or such writ, warrant of attachment or similar process is not vacated, released or bonded off within thirty (30) days after its entry or levy.

(f) A conveyance, transfer, assignment or pledge of any interest in Debtor shall occur, in a single transaction or a series of transactions, without Secured Party's prior written consent.

(g) A withdrawal from, or distribution of, the corpus or income of Debtor is made without the prior written approval of Secured Party.

(h) The dissolution, liquidation or termination of Debtor.

(i) Any action, suit or proceeding shall be commenced against or affecting any Obligor or involving the validity or enforceability of any Credit Document, at law or in equity, or before any governmental authority, which in Secured Party's judgment, impairs or would impair Secured Party's ability to collect the Debt when due or the enforceability of any Credit Document.

(j) Any one or more final judgments for the payment of money shall be rendered against any Obligor and the same shall remain unstayed or undischarged for a period of thirty (30) days.

(k) Any Obligor shall be prevented or relieved by any governmental authority from performing or observing any material term, covenant or condition of any Credit Document.

(l) Any Obligor shall fail to pay when due any principal of or interest on any borrowed money obligation or the holder of such other obligation declares--or may declare--such obligation due before its stated maturity because of default.

(m) Any Obligor shall be in default under or in violation of any law, statute, ordinance, decree, requirement, order, judgment, rule or regulation (or interpretation of any of them) of the United States of America, any State of the United States of America or any political subdivision of any of them, or of any agency, department, commission, board, bureau or court or other tribunal having jurisdiction over any such party or any such party's property.

(n) Any Obligor shall claim--or any court shall find or rule--that Secured Party does not have a valid lien on the Collateral or any other security which may have been provided by such Obligor.

(o) The sale, encumbrance or abandonment (except as otherwise expressly permitted by this Agreement or as otherwise agreed to in writing by Secured Party) of any property now or hereafter covered by this Agreement or any other instrument now or hereafter securing the Debt, or the making of any levy, seizure or attachment of or on any such property or the loss, theft, substantial damage or destruction of any such property.

(p) Any Obligor shall have concealed, removed, or permitted to be concealed or removed, any part of its property, with intent to hinder, delay or defraud any of its creditors, or made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law, or shall have made any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or, while insolvent, shall have suffered or permitted any creditor to obtain a lien upon any of its property through legal proceedings or distraint which is not vacated within thirty (30) days from its date.

(q) Debtor fails to maintain at all times a debt coverage ratio greater than or equal to 1.00 to 1.00. As used in the preceding sentence, "debt coverage ratio" shall mean for any period for which the debt coverage ratio is being calculated, the ratio of (i) the sum of Debtor's net income after taxes plus depreciation, amortization and other non-cash charges deducted in determining net income, to (ii) current maturities of long-term indebtedness (as determined in accordance with Generally Accepted Accounting Principles, consistently applied);

(r) Debtor fails to maintain at all times minimum liquidity (i.e.: cash on hand plus marketable securities) in an amount equal to or greater than $100,000.00. The value of any marketable securities for purposes of determining compliance with such minimum liquidity requirement shall be determined by Secured Party in its reasonable discretion.

(s) Debtor shall incur any additional indebtedness or contingent liabilities for borrowed money without Secured Party's prior written approval, other than indebtedness which is in existence as of the effective date of this Agreement and which has been previously disclosed in writing to Secured Party.

(t) A default, an event of default or a similar event (however denominated) shall occur under any Credit Document, unless Secured Party declares such default, event of default or similar event fully cured to Secured Party's satisfaction within any applicable cure period agreed to in writing by Secured Party.

Any Default hereunder (in the case of any and all Defaults other than Non-Curable Defaults) shall not constitute an Event of Default for purposes of this Deed of Trust unless and until written notice of such Default shall have first been given to Mortgagor by Mortgagee, and Mortgagor shall have failed to cure such Default within thirty (30) days after such notice has been given with respect to any Default (other than Non-Curable Defaults). For purposes hereof, a "Non-Curable Default" means any Default which is specified in subparagraphs (a), (c), (d), (e), (f), (g), (h), (k), (n), (p) and (s) above. Each Non-Curable Default shall automatically constitute an Event of Default, and no notice to Mortgagor, any Obligor or any other person or entity of any Non-Curable Default shall be required and no opportunity to cure any Non-Curable Default shall be afforded.

ARTICLE 7
Remedies in Event of Default

7.1 Upon the occurrence of an Event of Default, and at any time thereafter:

(a) Secured Party shall have the option of declaring, without notice to any person, all Debt to be immediately due and payable.

(b) Secured Party is authorized, in any legal manner and without breach of the peace, to take possession of the Collateral (Debtor hereby WAIVING all claims for damages arising from or connected with any such taking) and of all books, records and accounts relating thereto and to exercise without interference from Debtor any and all rights which Debtor has with respect to the management, possession, operation, protection or preservation of the Collateral, including the right to sell or rent the same for the account of Debtor and to deduct from such sale proceeds or such rents all costs, expenses and liabilities of every character incurred by Secured Party in collecting such sale proceeds or such rents and in managing, operating, maintaining, protecting or preserving the Collateral and to apply the remainder of such sales proceeds or such rents on the Debt in such manner as Secured Party may elect. Before any sale, Secured Party may, at its option, complete the processing of any of the Collateral and/or repair or recondition the same to such extent as Secured Party may deem advisable and any sums expended therefor by Secured Party shall be reimbursed by Debtor. Secured Party may take possession of Debtor's premises to complete such processing, repairing and/or reconditioning, using the facilities and other property of Debtor to do so, to store any Collateral and to conduct any sale as provided for herein, all without compensation to Debtor. All costs, expenses, and liabilities incurred by Secured Party in collecting such sales proceeds or such rents, or in managing, operating, maintaining, protecting or preserving such properties, or in processing, repairing and/or reconditioning the Collateral if

not paid out of such sales proceeds or such rents as hereinabove provided, shall constitute a demand obligation owing by Debtor and shall bear interest from the date of expenditure until paid at the Past Due Rate, all of which shall constitute a portion of the Debt. If necessary to obtain the possession provided for above, Secured Party may invoke any and all legal remedies to dispossess Debtor, including specifically one or more actions for forcible entry and detainer. In connection with any action taken by Secured Party pursuant to this paragraph, Secured Party shall not be liable for any loss sustained by Debtor resulting from any failure to sell or let the Collateral, or any part thereof, or from other act or omission of Secured Party with respect to the Collateral unless such loss is caused by the willful misconduct and bad faith of Secured Party, nor shall Secured Party be obligated to perform or discharge any obligation, duty, or liability under any sale or lease agreement covering the Collateral or any part thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder.

(c) Secured Party shall have all the rights of a secured party after default under the Uniform Commercial Code of Texas and in conjunction with, in addition to or in substitution for those rights and remedies:

(i) Secured Party may require Debtor to assemble the Collateral and make it available at a place Secured Party designates which is mutually convenient to allow Secured Party to take possession or dispose of the Collateral; and

(ii) it shall not be necessary that Secured Party take possession of the Collateral or any part thereof before the time that any sale pursuant to the provisions of this Article is conducted and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; and

(iii) before application of proceeds of disposition of the Collateral to the Debt, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Secured Party, each Obligor, to the extent applicable, to remain liable for any deficiency; and

(iv) the sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and, if the proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the Debt, this Agreement and the security interest created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made; and

(v) in the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder; and

(vi) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of any indebtedness or as to the occurrence of any default, or as to Secured Party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and the Collateral to be sold having been duly given, as to any other act or thing having been duly done by Secured Party, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and

(vii) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party; and

(viii) demand of performance, advertisement and presence of property at sale are hereby WAIVED and Secured Party is hereby authorized to sell hereunder any evidence of debt it may hold as security for the Debt. All demands and presentments of any kind or nature are expressly WAIVED by Debtor. Debtor WAIVES the right to require Secured Party to pursue any other remedy for the benefit of Debtor and agrees that Secured Party may proceed against any Obligor for the amount of the Debt owed to Secured Party without taking any action against any other Obligor or any other person or entity and without selling or otherwise proceeding against or applying any of the Collateral in Secured Party's possession.

7.2 All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Debt, or any part thereof, or otherwise benefiting Secured Party, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

7.3 Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the Debt, in whole or in part, and in such portions and in such order as may seem best to Secured Party in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

7.4 To the full extent Debtor may do so, Debtor agrees that Debtor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, extension or redemption, and Debtor, for Debtor, Debtor's heirs, devisees, executors, administrators, personal representatives, successors, receivers, trustees and assigns, and for any and all persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby WAIVES and releases all rights of redemption, valuation, appraisement, stay of execution, notice of intention to mature or to declare due the whole of the Debt, notice of election to mature or to declare due the whole of the Debt and all rights to a marshaling of the assets of Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the security interest hereby created.

ARTICLE 8
Additional Agreements

8.1 Subject to the automatic reinstatement provisions of Section 8.20 below, upon full payment of the Debt, complete performance of all of the obligations of the Obligors under the Credit Documents and final termination of Secured Party's obligations--if any--to make any further advances under the Note or to provide any other financial accommodations to any Obligor, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and upon written request by Debtor such security interest shall be released by Secured Party in due form and at Debtor's cost.

8.2 Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by

Secured Party to exercise any right, power or remedy upon any default shall not be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Debtor in any case shall of itself entitle Debtor to any other or further notice or demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

8.3 Secured Party may at any time and from time to time in writing (a) waive compliance by Debtor with any covenant herein made by Debtor to the extent and in the manner specified in such writing; (b) consent to Debtor's doing any act which hereunder Debtor is prohibited from doing, or consent to Debtor's failing to do any act which hereunder Debtor is required to do, to the extent and in the manner specified in such writing; (c) release any part of the Collateral, or any interest therein, from the security interest of this Agreement; or (d) release any party liable, either directly or indirectly, for the Debt or for any covenant herein or in any other instrument now or hereafter securing the payment of the Debt, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights of Secured Party hereunder except to the extent specifically agreed to by Secured Party in such writing.

8.4 The security interest and other rights of Secured Party hereunder shall not be impaired by any indulgence, moratorium or release granted by Secured Party, including but not limited to (a) any renewal, extension or modification which Secured Party may grant with respect to the Debt, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Secured Party may grant in respect of any item of the Collateral, or any part thereof or any interest therein, or (c) any release or indulgence granted to any endorser, guarantor or surety of the Debt.

8.5 Secured Party may call at Debtor's place or places of business at intervals to be determined by Secured Party and, without hindrance or delay, inspect, audit, check and make extracts from and copies of the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral or to any transaction between Debtor and Secured Party, and Debtor shall assist Secured Party in such actions.

8.6 A carbon, photographic or other reproduction of this Agreement or of any financing statement relating to this Agreement shall be sufficient as a financing statement.

8.7 Debtor will cause all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Secured Party shall reasonably request and will pay all such recording, filing, re-recording, and refiling taxes, fees and other charges.

8.8 In the event the ownership of the Collateral or any part thereof becomes vested in a person other than Debtor, Secured Party may, without notice to Debtor, deal with such successor or successors in interest with reference to this Agreement and to the Debt in the same manner as with Debtor, without in any way vitiating or discharging Debtor's liability hereunder or upon the

Debt. No sale of the Collateral, and no forbearance on the part of Secured Party and no extension of the time for the payment of the Debt given by Secured Party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Debtor hereunder for the payment of the Debt or the liability of any other person hereunder for the payment of the Debt, except as agreed to in writing by Secured Party.

8.9 Any other or additional security taken for the payment of any of the Debt shall not in any manner affect the security given by this Agreement.

8.10 If any part of the Debt cannot be lawfully secured by this Agreement, or if the lien, assignments and security interests of this Agreement cannot be lawfully enforced to pay any part of the Debt, then and in either such event, at the option of Secured Party, all payments on the Debt shall be deemed to have been first applied against that part of the Debt.

8.11 Secured Party may assign this Agreement so that the assignee shall be entitled to the rights and remedies of Secured Party hereunder and in the event of such assignment, Debtor will assert no claims or defenses it may have against the assignee except those granted in this Agreement.

8.12 This Agreement shall not be changed orally but shall be changed only by agreement in writing signed by Debtor and Secured Party. No course of dealing between the parties, no usage of trade and no parole or extrinsic evidence of any nature shall be used to supplement or modify any of the terms or provisions of this Agreement.

8.13 Any notice, request or other communication required or permitted to be given hereunder shall be given in writing by delivering it against receipt for it, by depositing it with an overnight delivery service or by depositing it in a receptacle maintained by the United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, addressed to the respective parties at the addresses shown herein (and if so given, shall be deemed given when mailed). Debtor's address for notice may be changed at any time and from time to time, but only after ten (10) days' advance written notice to Secured Party and shall be the most recent such address furnished in writing by Debtor to Secured Party. Secured Party's address for notice may be changed at any time and from time to time, but only after ten (10) days' advance written notice to Debtor and shall be the most recent such address furnished in writing by Secured Party to Debtor. Actual notice, however and from whomever given or received, shall always be effective when received.

8.14 This Agreement shall be binding upon Debtor, and the heirs, devisees, executors, administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Collateral, and shall benefit Secured Party and its successors and assigns.

8.15 If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and this Agreement shall be liberally construed so as to carry out the intent of the parties to it. Each waiver in this Agreement is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against Secured Party for having bargained for and obtained it.

8.16 Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Debtor requests in writing, but failure of Secured Party to comply with such request shall not of itself be deemed a failure to have exercised reasonable care, and no failure of Secured Party to take any action so requested by Debtor shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral. Secured Party shall not be responsible in any way for any depreciation in the value of the Collateral, nor shall any duty or responsibility whatsoever rest upon Secured Party to take any steps to preserve rights against prior parties or to enforce collection of the Collateral by legal proceedings or otherwise, the sole duty of Secured Party, its successors and assigns, being to receive collections, remittances and payments on such Collateral as and when made and received by Secured Party and, at Secured Party's option, to apply the amount or amounts so received, after deduction of any collection costs incurred, as payment upon any of the Debt or to hold the same for the account and order of Debtor.

8.17 The pronouns used in this Agreement are in the masculine and neuter genders but shall be construed as feminine, masculine or neuter as occasion may require. "Secured Party", "Obligor" and "Debtor" as used in this Agreement include the heirs, devisees, executors, administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and assigns of those parties. When this Agreement is executed by more than one person, corporation or other legal entity, it shall be construed as though "Debtor" were written "Debtors" and as though the pronoun and verbs were changed to correspond; and in such case (a) each of Debtors shall be bound jointly and severally with one another to keep, observe and perform the covenants, agreements, obligations and liabilities imposed by this Agreement upon the "Debtor", (b) a release of one or more persons, corporations or other legal entities comprising "Debtor" shall not in any way be deemed a release of any other person, corporation or other legal entity comprising "Debtor", and (c) a separate action hereunder may be brought and prosecuted against one or more of the persons, corporations or other legal entities comprising "Debtor" without limiting any liability or impairing Secured Party's right to proceed against any other person, corporation or other legal entity comprising "Debtor".

8.18 The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Terms used in this Agreement which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined. Wherever the term "including" or a similar term is used in this Agreement, it shall be read as if it were written "including by way of example only and without in any way limiting the generality of the clause or concept referred to."

8.19 This Agreement is performable in Travis County, Texas, which shall be a proper place of venue for suit on or in respect of this Agreement. Debtor irrevocably agrees that any legal proceeding in respect of this Agreement shall be brought in the district courts of Travis County, Texas or the United States District Court for the Western District of Texas, Austin Division (collectively, the "Specified Courts"). Debtor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.**

8.20 Debtor agrees that, if at any time all or any part of any payment previously applied by Secured Party to the Debt is or must be returned by Secured Party--or recovered from Secured Party--for any reason (including the order of any bankruptcy

court), this Agreement shall automatically be reinstated to the same effect, as if the prior application had not been made, and, in addition, Debtor hereby agrees to indemnify Secured Party against, and to save and hold Secured Party harmless from any required return by Secured Party--or recovery from Secured Party--of any such payments because of its being deemed preferential under applicable bankruptcy, receivership or insolvency laws, or for any other reason.

8.21 This Agreement and the other Credit Documents embody the entire agreement and understanding between Secured Party and Debtor with respect to their subject matter and supersede all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter. Debtor acknowledges and agrees there is no oral agreement between Debtor and Secured Party which has not been incorporated in this Agreement and the other Credit Documents.

8.22 Secured Party may from time to time and at any time, without any necessity for any notice to or consent by Debtor or any other person or entity, release all or any part of the Collateral from the security interests of this Agreement, with or without cause, including as a result of any determination by Secured Party that the Collateral or any portion thereof contains or has been contaminated by or releases or discharges any hazardous or toxic waste, material or substance.

EXECUTED as of the 14 day of September, 1995.

Glenn A. Welsch

GLENN A. WELSCH, TRUSTEE OF THE GLENN ANDREW WELSCH 1988 TRUST

"Debtor"

TEXAS COMMERCE BANK NATIONAL ASSOCIATION

By: Doug Mangum

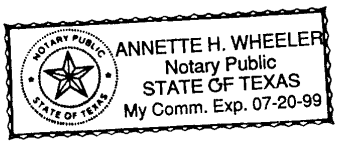
Name: Doug Mangum

Title: Vice President

"Secured Party"

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 14 day of September, 1995, by Glenn Andrew Welsch, Trustee of the Glenn Andrew Welsch 1988 Trust.



Annette H. Wheeler

Notary Public in and for the State of Texas

Print Name: Annette H. Wheeler

My Commission Expires: 7/20/99

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THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned Notary Public, on this personally appeared Doug Mangum, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Texas Commerce Bank National Association, a national banking association, and that (s)he executed the same as the act and deed of such association for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this 14 day of September, 1995.

Annette H. Wheeler
Notary Public in and for
the State of Texas
Printed Name: _____
My Commission expires: _____

NOTARY PUBLIC STATE OF TEXAS
ANNETTE H. WHEELER
Notary Public
STATE OF TEXAS
My Comm. Exp. 07-20-99

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