Craig Friemel
Senior Vice President

Victoria National Bank

15947

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FEB 26 2 12 PM '96

February 13, 1996

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 security agreement, a primary document, dated the 13th day of February, 1996.

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

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

Debtor: ITG, Inc.
106 North Main, Suite 200
P. O. Box 1777
Victoria, Texas 77902-1777

A description of the equipment covered by the document is as follows: Six (6) LO C213 class, 100-ton capacity railway cars.

A fee of $21.00 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.

A short summary of the document to appear in the index follows: Security Agreement between First Victoria National Bank, P. O. Box 1338, Victoria, Texas 77902 and ITG, Inc. dated February 13, 1996, and covering Six (6) LO C213 class, 100-ton capacity railway cars, initial numbers ITGX 12008 through 12013.

Very truly yours,

FIRST VICTORIA NATIONAL BANK

By: Craig G. Friemel
Senior Vice President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on the 20th day of February, 1996, by Craig G. Friemel, as Senior Vice President of First Victoria National Bank, on behalf of said corporation.

Diana N. Gray
Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS
DIANA N. GRAY
Notary Public
STATE OF TEXAS
My Comm. Exp. 02/18/99

BALL, JANIK & NOVACK

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Individual Equipment Record dated as of February 20, 1996 and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

Louis E. Gitomer
February 22, 1996

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

2/26/96

Craig G. Friemel
Senior Vice President
First Victoria National Bank
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 2/26/96 **at** 2:15PM **, and assigned recordation number(s).** 19947.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

$ 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 Janice M. Fort

SECURITY AGREEMENT

Date: February 13, 1996

Debtor(s) Name(s)	ITG, INC.	Secured: Party(s) Name(s)	First Victoria National Bank
Address:	106 North Main, Ste. 200 P. O. Box 1777 Victoria, Texas 77902-1777	Address:	101 S. Main Victoria, Texas 77901

The above named Debtor (hereinafter called Borrower) hereby grants to the above named Secured Party (hereinafter called Lender or Secured Party) a security interest in the following described property (hereinafter called Collateral and including all proceeds, products and accessions thereto):

> Six (6) 100-ton capacity LO C213 class hopper railway cars, as more particularly described on Exhibit "A" which is attached hereto and incorporated herewith by this reference.

Together with all parts, accessories, repairs, improvements, accessions, substitutions and replacements therefor, at any time hereinafter made or acquired, and all proceeds thereof (as defined in the Uniform Commercial Code) hereafter at any time acquired by Borrower or in which Borrower obtains rights and all accounts receivable, rights to payment and all other general intangibles and rights to payment arising from any contract of sale or lease of such cars.

To secure payment to Secured Party at the address stated above of the following promissory note:

> One certain promissory note dated February 13, 1996, executed by Borrower and payable to the order of Lender in the original principal sum of $180,000.00, bearing interest as therein specified and being due on the 13th day of March, 2004.

Together with all renewals, extensions, and rearrangements of any of the foregoing notes and all other indebtedness now or hereinafter owing by Borrower to Lender.

Borrower(s) Warrants and Agrees:

1. The collateral will be held by Borrower for sale or lease to others under such sale or lease agreements as Borrower may make with the consent of Lender.

2. The Borrower is a Texas corporation in good standing.

3. The collateral will be acquired by Borrower with the proceeds of the above described loan.

4. The Borrower will use the collateral for purposes of sale or leasing to third parties.

5. Borrower will contemporaneously herewith furnish Secured Party a list of the states wherein such collateral is or will be used, and hereafter will notify Secured Party in writing (i) of any other states in which the collateral is so used, and (ii) of any change in the location of Borrower's chief place of business.

6. Borrower will not sell, transfer, lease or otherwise dispose of the Collateral, or attempt or offer to do any of the foregoing, without the prior written consent of Secured Party and

unless the proceeds of any such sale, transfer, lease or other disposition are paid directly to Secured Party. No provisions contained in this Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained herein.

7. Secured Party shall have the authority, but shall not be obligated to: (a) notify any or all lessees or others obligated to Borrower for the use or rental of such cars of the existence of Secured Party's Security Interest and to pay or remit all sums due or to become due directly to Secured Party or Secured Party's nominee; (b) place on any Chattel Paper received as Proceeds a notation or legend showing Secured Party's Security Interest; (c) in the name of Borrower or otherwise, to demand, collect, receive and receipt for, compound, compromise, settle and give acquittance for, and prosecute and discontinue any suits or proceedings in respect of any of the Collateral; (d) take any action which Secured Party may deem necessary or desirable in order to realize on the Collateral, including, without limitation, the power to perform any contract or lease, to endorse in the name of Borrower any checks, drafts, notes or other instruments or documents received in payment of or on account of the Collateral; (e) to place upon Borrower's books and records relating to the Accounts and Contract Rights covered by the Security Interest granted hereby a notation or legend stating that such Account or Contract Rights is subject to a Security Interest held by Secured Party; and (f) after any Default, to enter upon and into and take possession of all or such part or parts of the properties of Borrower, including lands, plants, buildings, machinery, equipment and other property as may be necessary or appropriate in the judgment of Secured Party to permit or enable Secured Party to manufacture, produce, process, store or sell or complete the manufacture, production, processing, storing or sale of all or any part of the Collateral, as Secured Party may elect, and to use and operate said properties for said purposes and for such length of time as Secured Party may deem necessary or appropriate for said purposes without the payment of any compensation to Borrower therefor.

8. Borrower will not sell, lease or otherwise dispose of any Inventory Collateral other than in the ordinary course of its business at prices constituting the then fair market value thereof, or at the Minimum Release Price therefor contained herein or in any supplement to Security Agreement further describing Inventory Collateral concerned. Borrower will not sell, transfer, lease or otherwise dispose of any Collateral or attempt or offer to do so, without the prior written consent of Secured Party. Borrower agrees to account for and pay over or deliver to Secured Party all Proceeds of all Collateral promptly upon receipt thereof.

9. Borrower will keep accurate books, records and accounts with respect to the Collateral, and with respect to the general business of Borrower, and will make the same available to Secured Party at Secured Party's request for examination and inspection; and will make and render to Secured Party such reports, accountings, and statements as Secured Party from time to time may request with respect to the Collateral; and will permit any authorized representative of Secured Party to examine and inspect, during normal business hours, any and all premises where the Collateral is or may be kept or located.

10. Borrower will keep the Collateral (and all lands, plants, buildings, machinery, equipment and other property now or hereafter at any time owned or used by Borrower in connection with the manufacture, processing, production, storage, sale or lease of the Collateral) in good condition and insured against such risks and in such amounts as Secured Party may request, and

with an insurance company or companies satisfactory to Secured Party, the policies to protect Secured Party as its interest may appear and to be delivered to Secured Party at its request. Borrower shall, upon any loss or destruction of the railroad cars, pay to Lender any insurance proceeds or casualty occurrence settlement from any lessee as a result thereof.

11. Borrower has or will acquire title and will and at all times keep the Collateral free of all liens and encumbrances, except the Security Interest created hereby, and has full power and authority to execute this Security Agreement, to perform Borrower's obligations hereunder, and to subject the Collateral to the Security Interest created hereby. No financing statements covering all or any part of the Collateral, except any which may have been filed by Secured Party, is on file in any public office.

12. Upon default by Borrower in any of the preceding agreements, Secured Party, at its option, may (i) effect such insurance and repairs and pay the premiums therefor and the costs thereof and (ii) pay and discharge any taxes, liens and encumbrances on the Collateral. All sums so advanced or paid by Secured Party shall be payable by Borrower on demand with interest at the minimum rate allowed by law and shall be a part of the Secured Obligations.

13. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as Secured Party may request to establish and maintain a valid Security Interest in the Collateral, and will pay all costs of filing and recording.

14. The occurrence of any of the following events shall constitute a Default: (a) failure of Borrower, or of any co-maker, endorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of Borrower contained herein; (c) any statement, representation or warranty of Borrower made herein or at any time furnished to Secured Party is untrue in any respect as of the date made; (d) entry of any judgment against Borrower; (e) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale or encumbrance to or of any portion of the Collateral, or the making of any levy, seizure, or attachment thereof; (f) termination or breach of any contract of sale or lease of the Collateral; (g) Borrower becomes insolvent or unable to pay Borrower's debts as they mature or makes an assignment for the benefit of Borrower's creditors or any proceeding is commenced by or against Borrower alleging that Borrower is insolvent or unable to pay its debts a they mature; (h) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (i) dissolution, consolidation, or merger, or transfer of a substantial part of the property of any Borrower which is a corporation or a partnership; (j) such a change in the condition or affairs (financial or otherwise) of Borrower of any co-maker, endorser, surety or guarantor of any of the Secured Obligations, as in the opinion of Secured Party impairs Secured Party's security or increases its risk; or (k) Secured Party deems itself insecure for any reason whatsoever.

15. Whenever a default shall exist, Secured Party may, at its option and without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and Secured Party may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law.

16. Borrower shall cause all railroad cars which are collateral hereunder to be marked with stenciling to identify the

same as being subject to this Security Agreement if requested by Secured Party or required by Interchange Rules or any other rules of the Association of American Railroads.

17. Borrower agrees, in the event of default, to make the Collateral available to Secured Party at a place or places acceptable to Secured Party, and to pay all costs of Secured Party, including reasonable attorney's fees, in the collection of any of the Secured Obligations and the enforcement of any of Secured Party's rights. At Secured Party's request, Borrower shall cause the railroad cars described herein as collateral to be delivered to Secured Party at Victoria, Texas, or any other point designated by Secured Party, freight prepaid by Borrower, in condition suitable for interchange under the rules of the Association of American Railroads. At Secured Party's request, Borrower will place all such railroad cars upon such storage tracks as Secured Party may designate.

18. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to Borrower at the address shown below.

19. No delay or failure by Secured Party in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. In case any one or more of the provisions of this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, and unenforceability, shall not affect any other provision of this agreement.

SIGNED this the 3th day of February, 1996, in duplicate original counterparts.

ITG, INC.

ATTEST:

Connie Pilsum

By [signature]

MICHAEL SAGEBIEL

Its President

STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on ~~September~~ February 13, 1996, by Michael Sagebiel, as President of ITG, INC., a Texas corporation, on behalf of said corporation.

CYNTHIA J. PALACIOS
NOTARY PUBLIC
State of Texas
Comm. Exp. 08-02-97

Cynthia J Palacios

Notary Public, State of Texas

EXHIBIT A

Car Initial Numbers:	12008 and 12013
Car Owner Marks:	ITGX
Class of Car:	LO C213
Number of Cars:	Six (6)
Capacity of Cars:	100-ton ~~5250~~ 4650 cu. ft.

Prior to purchase by Borrower, these cars were marked as follows:

GCPX 46511
GCPX 46523
GCPX 46528
GCPX 46532
GCPX 46534
GCPX 46540