

LIDDELL, SAPP, ZIVLEY, HILL & LABOON

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS

3400 TEXAS COMMERCE TOWER

HOUSTON, TEXAS 77002

(713) 226-1200

TELEX 76-2616

TELECOPIER (713) 223-3717

1200 TEXAS COMMERCE TOWER

2200 ROSS AVENUE

DALLAS, TEXAS 75201

(214) 220-4800

TELECOPIER (214) 220-4899

301 CONGRESS AVENUE

SUITE 1400

AUSTIN, TEXAS 78701

(512) 320-4111

TELECOPIER (512) 320-4161

237 PARK AVENUE
NEW YORK, NEW YORK 10017
(212) 455-9300
TELECOPIER (212) 986-7281

August 3, 1990

0-222A025

15965

RECORDATION NO _____ FILED 1425

AUG 10 1990 - 3 35 PM

INTERSTATE COMMERCE COMMISSION

15
3 29 PM '90

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: Documents for Recordation

Dear Secretary:

I have enclosed for recordation pursuant to Section 11303 of Title 49 of the U.S. Code two original copies of the Security Agreement-Tank Cars dated as of April 30, 1990 between Jacqueline R. Goettsche, as Trustee of the Jacqueline R. Goettsche Les Annes Trente Trust (the "Debtor") and Texas Commerce Bank National Association (the "Bank").

This agreement conveys to the Bank a security interest in the railroad tank cars identified by the following registration numbers:

- GLNX 23151, GLNX 23153, GLNX 23154, GLNX 23155, GLNX 23166, GLNX 24105, GLNX 24106, GLNX 24107, GLNX 24108, GLNX 24109, GLNX 24110, GLNX 24111, GLNX 24112, GLNX 24113, GLNX 24114, GLNX 24115, GLNX 24116, GLNX 24117, GLNX 24118, GLNX 24119, GLNX 24120, GLNX 24121, GLNX 24122, GLNX 24123, GLNX 24124, GLNX 24125, GLNX 24126, GLNX 24127, GLNX 24128 and GLNX 24129.

Inasmuch as the Debtor is a trust, we request that this recording be cross-indexed under the name of the trustee and the name of the trust.

The recording fee of \$15.00 is enclosed. Please return the originals to the undersigned following recordation.

Very truly yours,

Linda J. Young
Linda J. Young
For the Firm

8/16/90

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Linda J. Young

Liddell, Sapp, Zivley, Hill & LABoon

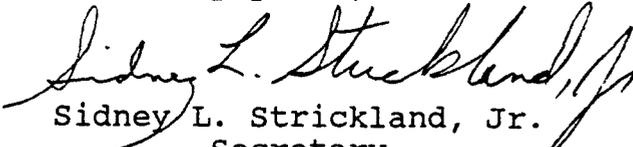
3400 Texas Commerce Tower

Houston, Texas 77002

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 8/10/90 at 3:35pm, and assigned recordation number(s). 16965, 16966 & 16967

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

SECURITY AGREEMENT - TANK CARS AUG 10 1990 - 3 35 PM

INTERSTATE COMMERCE COMMISSION

JACQUELINE R. GOETTSCHKE, as Trustee of the JACQUELINE R. GOETTSCHKE LES ANNES TRENTÉ TRUST (hereinafter called "Debtor"), and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association having its principal office at 712 Main Street, Houston, Harris County, Texas (hereinafter called "Secured Party"), agree as follows:

SECTION 1. CREATION OF SECURITY INTEREST.

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section 2 of this Security Agreement to secure the payment and performance of the obligations evidenced by: (a) that certain promissory note of even date herewith in the original principal amount of EIGHTY THOUSAND DOLLARS (\$80,000.00) payable by Debtor to Secured Party; (b) that certain promissory note of even date herewith in the original principal amount of TEN THOUSAND DOLLARS (\$10,000) payable by Sterling Standard Trust Company, as Trustee of the KCG Investment Trust, to Secured Party; (c) that certain promissory note of even date herewith in the original principal amount of TEN THOUSAND DOLLARS (\$10,000) payable by Sterling Standard Trust Company and Sarah Elizabeth Goettsche, as Co-Trustees of the Shiva Trust, to Secured Party; and (d) all renewals, extensions, refundings and modifications of any and all of the foregoing (any and all such indebtedness is hereinafter called the "Indebtedness").

SECTION 2. COLLATERAL.

The following items of collateral covered by this Security Agreement shall be referred to herein as "Equipment" or as the "Collateral":

"Equipment" shall mean thirty (30) 23,500 gallon nominal capacity tank cars, DOT 111A100W3, exterior coiled and insulated, in which Debtor holds an eighty percent (80%) undivided interest, purchased from Jacqueline R. Goettsche, who, in turn, purchased the same from Wayne K. Goettsche who, in turn, purchased the same from Delta Investments, and which tank cars bear the following registration numbers: GLNX 23151, GLNX 23153, GLNX 23154, GLNX 23155, GLNX 23166, GLNX 24105, GLNX 24106, GLNX 24107, GLNX 24108, GLNX 24109, GLNX 24110, GLNX 24111, GLNX 24112, GLNX 24113, GLNX 24114, GLNX 24115, GLNX 24116, GLNX 24117, GLNX 24118, GLNX 24119, GLNX 24120, GLNX 24121, GLNX 24122, GLNX 24123, GLNX 24124, GLNX 24125, GLNX 24126, GLNX 24127, GLNX 24128, GLNX 24129. The term "Collateral" shall include the Equipment, all additions and accessions thereto, and all proceeds thereof, and the right to receive and collect all rentals, liquidated damages, proceeds of sale, per diem mileage and other payments now or hereafter payable under leases relating to the Equipment and all accounts, chattel paper, and general intangibles with respect thereto including, without limitation, all right, title, and interest of Debtor in and to that certain Management Agreement dated May 11, 1980 by and between GLNX Corporation ("GLNX") and Delta Investments ("Delta") and that certain Management Agreement dated November 1, 1988 by and between GLNX and Delta, the obligations of Delta under both such management agreements having been assumed by, among others, Debtor. The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Equipment in any manner not specifically authorized by this Security Agreement.

SECTION 3. PAYMENT OBLIGATIONS OF DEBTOR.

(a) Debtor shall pay to Secured Party the Indebtedness in accordance with the terms of the promissory notes evidencing the same and in accordance with the terms of this Security Agreement.

(b) Debtor shall pay to Secured Party immediately on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protection its interests, rights and remedies under this Security Agreement, plus interest thereon at the Past Due Rate (as such term is defined in the promissory notes evidencing the Indebtedness).

(c) Subject to the provisions of Section 6(b)(i) of this Security Agreement, upon Debtor's default hereunder, Debtor shall pay immediately, without further notice, the entire unpaid Indebtedness to Secured Party, unless such default is fully cured within fifteen (15) days immediately following the issuance of notice of default under Section 6(b)(i) of this Security Agreement.

SECTION 4. DEBTOR'S REPRESENTATIONS, WARRANTIES AND AGREEMENTS.

Debtor hereby represents, warrants, and agrees that:

(a) No Interstate Commerce Commission filing, financing statement or other filing covering the Collateral or its proceeds is on file in any public office other than any filings by Delta Investments in favor of Secured Party. Except for the security interest granted in this Security Agreement, the encumbrance created by the terms of the Management Agreement, and prior liens granted by Delta Investments in favor of Secured Party, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(b) Debtor's address is Route 2, Box 172, Fredericksburg, Texas 78624.

(c) Debtor will promptly notify Secured Party in writing of any change of Debtor's name or address.

(d) Debtor shall pay or shall cause GLNX or any other person charged with management of the Equipment, to pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and upon Debtor's failure to do so, Secured Party at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same; provided, however, that Secured Party will not pay any such tax, charge, lien or assessment so long as Debtor at its own expense is contesting in good faith and with due diligence any such taxes, charges, liens and assessments asserted against the Collateral and provided further, that the proceedings brought in such contest shall suspend or stay the collection of such taxes, charges, liens or assessments and neither the Collateral nor any party thereof shall be subjected to any sale, foreclosure or forfeiture. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred, by Secured Party pursuant to the foregoing authorization, plus interest thereon at the Past Due Rate (as such term is defined in the promissory note evidencing the Indebtedness).

(e) Debtor will have and maintain or cause to be maintained at all times, insurance with respect to all Equipment covering physical loss or damage from any cause whatsoever (subject to such exclusions as are standard in the industry for such insurance in the amount of at least Fifty Seven Thousand Dollars (\$57,000) per unit of Equipment, with liability insurance of at least Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence, together with an umbrella-type policy coverage in the amount of Ten Million Dollars (\$10,000,000). Such insurance shall be written by companies satisfactory to Secured Party, and the insurance policies shall contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for at least ten (10) days' written cancellation notice to Secured Party. All drafts or instruments of any kind evidencing payment

under any such insurance policies which come into the possession of Debtor shall be immediately delivered to Secured Party. No such policies shall be payable to any party other than Secured Party, Debtor or GLNX. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing provisions and requirements, each in form and substance satisfactory to Secured Party. Secured Party may act as attorney-in-fact for Debtor in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts drawn by insurers of the Collateral and shall apply any proceeds of such insurance which may be received by Secured Party in payment of the obligations secured hereby, whether due or not.

(f) The Equipment:

(i) will be used primarily for business purposes and will be leased by GLNX pursuant to the Management Agreement to responsible and credit-worthy third parties approved by Secured Party;

(ii) will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use as described in Section 4(f)(i) above, and will not be used in violation of any statute or ordinance or as part of a unit-train; and

(iii) will not be sold, transferred or disposed of or further encumbered or subjected to any charge, including without limitation, any charge for unpaid rent or taxes, or to any subsequent interest of any other person voluntarily created or suffered by Debtor, except for the Management Agreement and the leases described in Section 4(f)(i) above, unless Secured Party consents in advance in writing to such sale, transfer, disposition, encumbrance, charge, or subsequent interest.

(g) Debtor shall, at its own expense, do such things, take such actions, and execute and deliver such writings and assurances as Secured Party may at any time and from time to time request to protect, assure or enforce the interests, rights and remedies of Secured Party created by, provided in or arising under this Security Agreement.

(h) Debtor shall execute any financing statement or other document requested by Secured Party and pay all connected costs, and shall do all things necessary to protect the security interest of Secured Party under this Security Agreement against the rights or interests of third persons.

(i) Debtor will not lend, rent, lease or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds from any disposition thereof, free from unpaid charges, including taxes, and from any lien, encumbrance, or security interest other than that of Secured Party.

SECTION 5. SECURED PARTY'S GENERAL RIGHTS AND REMEDIES.

(a) Secured Party may inspect the Collateral and Debtor's books and records pertaining to the Collateral from time to time, and Debtor shall assist Secured Party in making any such inspection. In such connection, Secured Party may inspect, audit, check, and make copies of and extracts from Debtor's 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 making any such inspection.

(b) At its option, Secured Party may discharge taxes, liens or security interest charges or other encumbrances at any time levied or placed against the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral, provided, that Debtor may contest in good faith any assessed taxes, charges, liens and assessments as provided in Section 4(d) above. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the Past Due Rate (as such term is defined in Debtor's promissory note payable to Secured Party).

SECTION 6 EVENTS OF DEFAULT.

(a) Events of Default

The occurrence of any of the following events shall constitute an event of default ("Event of Default") under this Security Agreement:

(i) Default in the punctual payment when due of any Indebtedness secured by this Security Agreement, whether principal or interest;

(ii) Default in the punctual performance of any of the obligations, covenants, terms or provisions contained in or referred to in this Security Agreement or in any note secured hereby or in any other document or agreement related to any of the foregoing;

(iii) Any warranty, representation, or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor shall prove to have been false in any material respect when made or furnished;

(iv) Loss, theft, substantial damage, or destruction to or of, any material part of the Collateral;

(v) Sale or encumbrance of any part of the Collateral, or any levy, seizure or attachment thereof;

(vi) An assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(vii) Any statement of the financial condition of Debtor submitted to Secured Party by Debtor proves to be false in any material respect.

(b) Remedies in the Event of Default.

(i) Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party may, upon fifteen (15) days' written notice of default to Debtor, declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, and as otherwise permitted by law, and in addition thereto and cumulative thereof, the following rights: the right to sell, lease, or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom; Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both

parties. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold in a recognized market, Secured Party shall send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice of sale shall be deemed to have been met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least five days before the time of sale or disposition. Expenses of retaking, holding, preparation for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, and Debtor agrees to pay such expenses, plus interest thereon, at the Past Due Rate upon fifteen (15) days' prior written notice from Secured Party. Debtor shall remain liable for any deficiency relating to the Indebtedness following the sale of the Collateral. Nothing in this paragraph shall prevent Debtor from curing any curable default prior to the expiration of fifteen (15) days immediately following the issuance of notice of default by Secured Party, but unless all existing default shall have been fully cured as of the end of such fifteen (15) day period, Secured Party may proceed forthwith, without further notice of default, to exercise its rights and remedies referenced hereinabove.

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

(iii) Secured Party may execute, endorse, transfer and deliver in the name of Debtor any notices, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, applications for certificates of title or any other documents necessary to evidence, perfect or realize upon the security interest and/or obligations created by this Security Agreement.

(iv) Secured Party may at any time demand, sue for, collect or make any compromise or settlement with reference to the Collateral as Secured Party may, in its sole discretion, elect.

(v) Secured Party may notify GLNX or the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness remitted by Debtor to Secured Party as proceeds, or in which Secured Party may have a security interest under this Security Agreement, to pay Secured Party directly.

(vi) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed to constitute a waiver of any of the other remedies of Secured Party herein.

SECTION 7 ADDITIONAL AGREEMENTS.

(a) The terms "Secured Party" and "Debtor", as used in this instrument, shall include the heirs, executors and administrators, successors, representatives, receivers, trustees and assigns of those parties.

(b) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings therein defined.

(c) This Security Agreement - Tank Cars shall be governed by and construed in accordance with, the laws of the State of Texas and the United States of America in effect from time to time.

Harris County, Texas shall be a proper place of venue for suit hereon. Debtor hereby irrevocably agrees that any legal proceeding in respect of this Security Agreement - Tank Cars shall be brought in the District Courts of Harris County, Texas, or the United States District Court for the Southern District of Texas, Houston Division.

THIS SECURITY AGREEMENT-TANK CARS, TOGETHER WITH THE FOLLOWING DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES:

THAT PROMISSORY NOTE DATED OF EVEN DATE HERewith IN THE ORIGINAL AMOUNT OF \$80,000 EXECUTED BY DEBTOR, AND PAYABLE TO SECURED PARTY;

THAT PROMISSORY NOTE DATED OF EVEN DATE HERewith IN THE ORIGINAL PRINCIPAL AMOUNT OF \$10,000 EXECUTED BY STERLING STANDARD TRUST COMPANY, AS TRUSTEE OF THE KCG INVESTMENT TRUST, AND PAYABLE TO LENDER;

THAT PROMISSORY NOTE DATED OF EVEN DATE HERewith IN THE ORIGINAL PRINCIPAL AMOUNT OF \$10,000 EXECUTED BY STERLING STANDARD TRUST COMPANY AND SARAH ELIZABETH GOETTSCHKE, AS CO-TRUSTEES OF THE SHIVA TRUST, AND PAYABLE TO SECURED PARTY;

THAT GUARANTY DATED OF EVEN DATE HERewith EXECUTED BY JACQUELINE R. GOETTSCHKE IN FAVOR OF SECURED PARTY;

THAT GUARANTY DATED OF EVEN DATE HERewith EXECUTED BY WAYNE K. GOETTSCHKE IN FAVOR OF SECURED PARTY;

THAT SECURITY AGREEMENT - TANK CARS, DATED OF EVEN DATE HERewith BETWEEN STERLING STANDARD TRUST COMPANY, AS TRUSTEE OF THE KCG INVESTMENT TRUST, AND SECURED PARTY;

THAT SECURITY AGREEMENT-TANK CARS, DATED OF EVEN DATE HERewith BETWEEN STERLING STANDARD TRUST COMPANY AND SARAH ELIZABETH GOETTSCHKE, AS CO-TRUSTEES OF THE SHIVA TRUST, AND SECURED PARTY;

THAT LETTER OF INSTRUCTION TO SECURED PARTY DATED OF EVEN DATE HERewith EXECUTED BY DEBTOR, STERLING STANDARD TRUST COMPANY, AS TRUSTEE OF THE KCG INVESTMENT TRUST, AND STERLING STANDARD TRUST COMPANY AND SARAH ELIZABETH GOETTSCHKE, AS CO-TRUSTEES OF THE SHIVA TRUST.

AND THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

EXECUTED as of the 30th day of April 1990.

DEBTOR:

JACQUELINE R. GOETTSCHKE LES ANNES
TRENTE TRUST

By: Jacqueline R. Goettsche
Jacqueline R. Goettsche,
Trustee

SECURED PARTY:

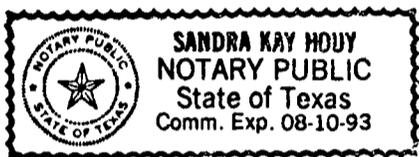
TEXAS COMMERCE BANK NATIONAL ASSOCIATION

By: [Signature]
Name: JOSEF F. HALL
Title: VP

STATE OF TEXAS §
 GILLESPIE §
COUNTY OF ~~HARRIS~~ §

On this 5th day of JUNE, 1990, before me personally appeared Jacqueline R. Goettsche, Trustee of the Jacqueline R. Goettsche Les Annes Trente Trust, to me personally known, who being by me duly sworn, says that the foregoing instrument was signed by her on behalf of said trust, for the purposes and consideration therein expressed and was the free act and deed of said trust.

(SEAL)



Sandra Kay Houy
Notary Public in and for
the State of _____
Printed Name: _____
My commission expires: _____

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 2nd day of August, 1990, before me personally appeared Josef F. Hall to me personally known, who being by me duly sworn, says that he/she is a Vice President of Texas Commerce Bank National Association, a national banking association, that the foregoing instrument was signed by him/her on behalf of said association by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was for the purposes and consideration therein expressed and was the free act and deed of said association.

(SEAL)



Susan D. Crutchfield
Notary Public in and for
the State of Texas
Printed Name: Susan D. Crutchfield
My commission expires: 11/23/92