Victoria National Bank

1+360A049

November 27, 1991

17639

DEC 26 1991 -10 55 AM

INTERSTATE COMMERCE COMMISSION

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 27th day of November, 1991.

DEC 26 10 49 AM '91
MOTOR OPERATING UNIT

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
Victoria, Texas 77901

A description of the equipment covered by the document is as follows: 33 railway cars, as more particularly described on the list attached hereto as Exhibit A.

A fee of $15.00 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 November 27, 1991, and covering 33 100-ton hopper railway cars, initial numbers IA15 65000 through 65032.

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

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

Very truly yours,

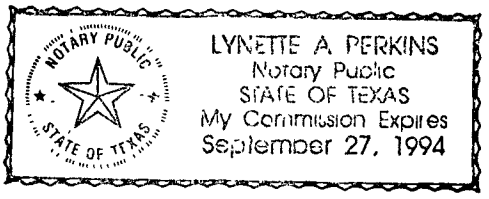
FIRST VICTORIA NATIONAL BANK

By: Craig G. Friemel
Its Vice President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on this the 4th day of December, 1991, by Craig G. Friemel, acting in his representative capacity as Vice President of First Victoria National Bank.



Notary Public, State of Texas

EXHIBIT A

I. 33 Railroad cars numbered as follows:

SBGX 1201
SBGX 1205
SBGX 1206
SBGX 1209
SBGX 1210
SBGX 1212
SBGX 1213
SBGX 1214
SBGX 1215
SBGX 1216
SBGX 1217
SBGX 1219
SBGX 1220
SBGX 1223
SBGX 1224
SBGX 1226
SBGX 1227
SBGX 1230
SBGX 1231
SBGX 1233
SBGX 1234
SBGX 1236
SBGX 1237
SBGX 1239
SBGX 1240
SBGX 1242
SBGX 1244
SBGX 1245
SBGX 1246
SBGX 1247
SBGX 1248
SBGX 1249
SBGX 1250

The above numbered cars are to be reassigned numbers following the execution of this security agreement as listed below:

IAIS 65000
IAIS 65001
IAIS 65002
IAIS 65003
IAIS 65004
IAIS 65005
IAIS 65006
IAIS 65007
IAIS 65008
IAIS 65009
IAIS 65010
IAIS 65011
IAIS 65012
IAIS 65013
IAIS 65014
IAIS 65015
IAIS 65016
IAIS 65017
IAIS 65018
IAIS 65019
IAIS 65020
IAIS 65021
IAIS 65022
IAIS 65023
IAIS 65024
IAIS 65025
IAIS 65026
IAIS 65027
IAIS 65028
IAIS 65029
IAIS 65030
IAIS 65031
IAIS 65032

17639

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Date: November 27, 1991

Debtor(s) Name(s) ITG, INC.
Addresses 106 North Main
Victoria, Texas 77901

Secured Party(s) Name(s): First Victoria National Bank
Addresses 101 S. Main
Victoria, Texas 77901

TYPE OF SECURITY AGREEMENT:

_____ Consumer Goods; _x_ Equipment
_x_ Inventory for resale or lease
_____ Inventory, Accounts & Contract Rights;
_____ Fixtures

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):

33 railroad cars, as more particularly described on the Exhibit "A" 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 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 notes:

One certain promissory note dated November 27, 1991 executed by Borrower and payable to the order of Lender in the original principal sum of $495,000.00, bearing interest and being due on the 30th day of January, 1992, and all renewals, extensions and rearrangements thereof, together with 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 in the paragraphs pertaining to other types of Collateral.

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, 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 other than Inventory 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) 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; (g) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (h) dissolution, consolidation, or merger, or transfer of a substantial part of the property of any Borrower which is a corporation or a partnership; (i) 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 (j) 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 27th day of November, 1991, in duplicate original counterparts.

ITG, INC.

ATTEST:

Connie Perkins

By _____
MICHAEL SAGEBIEL
Its PRESIDENT

STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on NOVEMBER 27, 1991, by MICHAEL SAGEBIEL, PRESIDENT of ITG, INC., a Texas corporation, on behalf of said corporation.

NOTARY PUBLIC STATE OF TEXAS
LYNETTE A PERKINS
Notary Public
STATE OF TEXAS
My Commission Expires
September 27, 1994

Lynette A. Perkins
Notary Public, State of Texas

EXHIBIT A

I. 33 Railroad cars numbered as follows:

SBGX 1201
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SBGX 1206
SBGX 1209
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