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RECORDATION NO. 8459 B FILED 1425

FEB 14 1994-3 05 PM

INTERSTATE COMMERCE COMMISSION

October 20, 1993

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

Dear Secretary:

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

This document is a Collateral Assignment of Lease Agreement, a secondary document, dated the 20th day of October, 1993.

The primary document to which this secondary document is connected is recorded under Recordation No. 8459.

We request that this assignment be cross-indexed.

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

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

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

RECORDED  
OFFICE OF THE  
SECRETARY  
FEB 14 2 55 PM '94  
LICENSING DIVISION

A description of the equipment covered by the document is as follows: 20 77-ton open top hopper railway cars, as more particularly described on the list attached hereto as Exhibit A.

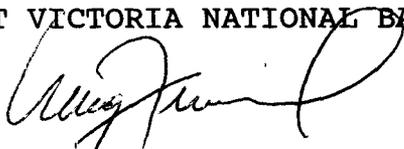
A fee of \$18.00 is enclosed. Please return the original and any extra copies not needed by the commission for recordation to Craig G. Friemel at First Victoria National Bank, P. O. Box 1338, Victoria, Texas 77902.

Secretary, Interstate Commerce Commission  
Page 2  
October 20, 1993

A short summary of the document to appear in the index follows:  
Collateral Assignment of Lease Agreement from ITG, Inc., 106 North  
Main, Victoria, Texas 77901 to First Victoria National Bank, P. O.  
Box 1338, Victoria, Texas 77902, dated October 20, 1993, and  
covering Railroad Car Lease Agreement between ITG, Inc. and Peoria  
and Pekin Union Railway, dated the 24th day of June, 1993, and  
covering 20 77-ton open top hopper railway cars, initial numbers  
PPU 10 through 29.

Very truly yours,

FIRST VICTORIA NATIONAL BANK

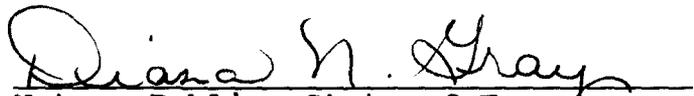


By: Craig G. Friemel  
Its Vice President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on October 22<sup>nd</sup>,  
1993, by Craig G. Friemel, as Vice President of First Victoria  
National Bank, on behalf of said corporation.

  
Notary Public, State of Texas

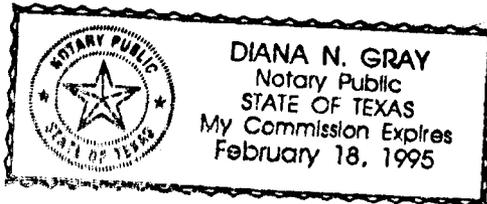


EXHIBIT A

Car Initial Numbers: 10 through 29  
Car Lessee's Marks: PPU  
Class of Car: K280/HMA  
Number of Cars: Twenty (20)  
Capacity of Cars: 77-ton 1000 cu. ft.

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

LSI 26074	LSI 25597
LSI 26509	LSI 26568
LSI 25801	LSI 26046
LSI 25610	LSI 25510
LSI 25564	LSI 25590
LSI 26017	LSI 26135
LSI 26108	LSI 26607
LSI 26550	LSI 26894
LSI 26534	LSI 25500
LSI 25735	LSI 26663

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

2/23/94

OFFICE OF THE SECRETARY

**Craig G. Friemel**  
**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 **2/14/94** at **3:05pm**, and assigned  
recording number(s). **8459-B**

Sincerely yours,

Secretary  
**SIDNEY L. STRICKLAND, JR.**

Enclosure(s)

FEB 14 1994-3 05 PM

INTERSTATE COMMERCE COMMISSION

COLLATERAL ASSIGNMENT OF LEASE AGREEMENT

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

THAT THIS ASSIGNMENT made as of the 20th day of October, 1993, by ITG, INC., a Texas corporation, which has the address of 106 North Main, Victoria, Texas 77901, (hereinafter referred to as "Assignor," whether one or more), to First Victoria National Bank, a national banking corporation with offices located at 101 South Main, Victoria, Texas 77901 (hereinafter referred to as "Assignee"), as follows:

W I T N E S S E T H:

THAT Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby grants, transfers and assigns to Assignee all rents, charges and rights to payment of any kind arising from or under the terms of that certain Railroad Equipment Lease Agreement No. ITG-2371, dated June 24, 1993, by and between Assignor and Peoria and Pekin Union Railway and recorded with the Secretary of the Interstate Commerce Commission under I.C.C. Recordation No. 8459 and covering the railroad cars as described therein, and on Exhibit A attached hereto, together with all further leases or renewals thereof now or hereafter to be made or executed by Assignor, whether written or oral, covering all or any portion of said railroad cars or any substitutions or replacements therefor.

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

- a. The payment of the principal sum, interest and indebtedness evidenced by that certain promissory note ("Note") dated the 20th day of October, 1993, and any amendments, extensions, or renewals thereof, in the original principal sum of \$200,000.00, executed by Assignor, and payable to the order of Assignee, at Victoria, in Victoria County, Texas, secured by a security agreement of even date herewith, by and between Assignor, as Debtor, and Assignee, as Secured Party, covering the above referenced railroad cars, among other collateral, and governed by the terms of a Loan Agreement dated the 10th day of September, 1990, between Assignor, as Borrower, and Assignee, as Lender, and the Guarantor named therein; and

- b. Payment of all other sums with interest thereon becoming due and payable to Assignee under the provisions of this Assignment or of said Note, Security Agreement, and Loan Agreement;
- c. The performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in said Note, Security Agreement, and Loan Agreement; and
- d. Any and all other indebtedness of Assignor to Assignee now or hereafter owing, whether direct or indirect, primary or secondary, fixed or contingent, joint or several, regardless of how evidenced or arising.

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

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

1. All rentals, charges and other rights to payment coming due to Assignor under the terms of said leases shall be paid directly to Assignee at Victoria, in Victoria County, Texas, without regard in any way to whether any default has occurred in

the payment of the principal sum, interest and indebtedness secured hereby and by said Note, Security Agreement, and Loan Agreement. Assignor shall, and by this assignment does hereby authorize and direct the lessees under any such leases, including the lessee under the above described Lease Agreement No. ITG-2371, to pay all rentals, charges, and other payments coming due to Assignor under the terms of such leases to Assignee directly and to continue to do so until otherwise notified by Assignee.

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

damage done to any of the leased property by the lessees or any other parties or for any dangerous or defective condition of the leased railroad cars, or for any negligence in the management, upkeep, repair or control of the leased railroad cars resulting in loss or injury or death to any lessee, licensee, employee or any other person.

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

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

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

6. Nothing contained in this Assignment and no act done or omitted by Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under said Note, Security Agreement, and Loan Agreement, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Assignee under the terms of said Note, Security Agreement, and Loan Agreement. The right of Assignee to collect said principal sum, interest and indebtedness and to enforce any other security therefor held by it may be exercised by Assignee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

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

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

ITG, INC.

ATTEST:

Connie Perkins  
Connie Perkins

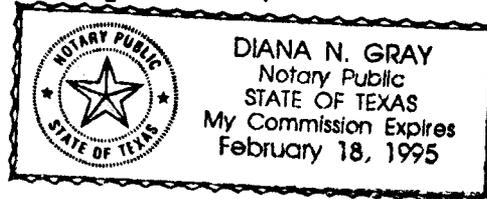
By Michael Sagebiel  
Its President

STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on October 21<sup>st</sup>, 1993, by Michael Sagebiel, President of ITG, INC., a Texas corporation, on behalf of said corporation.

Diana N. Gray  
Notary Public, State of Texas



**EXHIBIT A**

Car Initial Numbers: 10 through 29  
Car Lessee's Marks: PPU  
Class of Car: K280/HMA  
Number of Cars: Twenty (20)  
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