

Attorneys and Counselors

April 3, 1997

Writer's Direct Dial Number
713/754-5220

Other Offices
Dallas
Austin
Fort Worth

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Via Federal Express

Re: Recording of Security Agreement

Dear Mr. Williams:

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

This document is a mortgage and is a primary document, dated March 31, 1997.

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

Mortgagor: James C. Graves
c/o GLNX Corporation
10077 Grogan Mill Rd., Suite 450
The Woodlands, Texas 77380

Mortgagee: Bank of America Texas, N.A.
333 Clay Street, Suite 3600
Houston, Texas 77002

A description of the equipment covered by the Security Agreement follows: 6 rail tank cars, together with related management contracts and leases, all as described on Exhibit "A" to the Security Agreement.

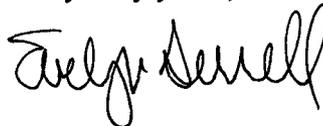
A fee of \$24.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to Evelyn E. Terrell, Esq., Hughes & Luce, L.L.P., 333 Clay Street, Suite 3800, Houston, Texas 77002.

April 3, 1997

Page 2

A short summary of the document to appear in the index follows: Security Agreement between James C. Graves, c/o GLNX Corporation, 10077 Grogan Mill Road, Suite 450, The Woodlands, Texas 77380 and Bank of America Texas, N.A. 333 Clay Street, Suite 3600, Houston, Texas 77002 dated March 31, 1997, and covering 6 rail tank cars, together with related management contracts and leases, as more particularly described on Exhibit "A" to such Security Agreement.

Very truly yours,



Evelyn E. Terrell

EET/gmb
Enclosures

cc: Joe Patterson

Surface Transportation Board
Washington, D.C.. 20423-0001

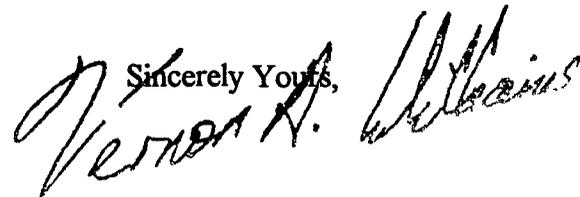
4/4/97

Evelyn E, Terrell
Hughes & Luce, LLP
Three Allen Center
333 Clay Street, Ste. 3800
Houston, Texas 77002

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on 4/4/97 at 2:13PM, and
assigned recordation number(s), 20613, 20614, 20615, 20616, 20617, 20618 and 20619.

Sincerely Yours,

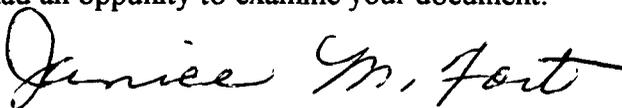


Vernon A. Williams
Secretary

Enclosure(s)

\$ 168.00 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 acknowledgement the fee paid is correct. This is
accepted subject to review of the document which as 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 Surface Transportation
Board has had an oppunity to examine your document.

Signature:





APR 4 '97 2-13 PM

Security Agreement and Mortgage

In this agreement, the "Guarantor" refers to the person or entity who signs below. The "Bank" refers to Bank of America Texas, N A

The "Collateral" refers collectively to all property covered by this security agreement as described below

1. SECURITY INTEREST The Guarantor pledges, mortgages, and assigns to Bank and grants Bank a security interest in the following

- 6 rail tank cars, together with related management contracts and leases, all as described on attached Exhibit "A", together with each and every subsequent or successor management contract or lease entered into with respect to any of such rail tank cars,
- proceeds and products of the foregoing property,
- increases, additions, and replacements to the foregoing property,
- rights now or in the future under contracts of insurance or documents covering foregoing property, and
- books and records describing or relating to the foregoing property, including computer data.

2. GUARANTOR'S REPRESENTATIONS, WARRANTIES, AND COVENANTS The Guarantor hereby represents and warrants to the Bank as follows.

- The Guarantor is the owner of the Collateral and has good right, title and authority to pledge, sell, transfer and assign the Collateral.
- There is no financing statement or other document creating or evidencing a lien now on file in any public office covering any of the Collateral, nor is there any lien or encumbrance on any of the Collateral.
- The Guarantor has notified the Bank in writing of the locations of the Collateral and the Guarantor's place of business (or chief executive office, if the Guarantor has more than one place of business)

The Guarantor hereby agrees

- to properly care for the Collateral and keep it in good condition,
- to defend the Collateral against claims and demands, and keep it free of all liens and security interests except those in favor of the Bank,
- not to grant an interest in the Collateral to anyone except the Bank;
- if the Collateral becomes subject to a registration certificate or a negotiable document, such as a warehouse receipt or bill of lading, to immediately deliver such certificate or document to the Bank,
- not to sell or lease (other than in the ordinary course of business), agree to sell or lease (other than in the ordinary course of business), or remove any Collateral from the Guarantor's place of business except with the prior written consent of the Bank,
- to maintain insurance on Collateral as the Bank requires. This insurance coverage will include
- fire damage,
- extended coverages,
- any other coverage required by the Bank, and
- losses payable on a replacement cost basis

INSURANCE IS REQUIRED IN CONNECTION WITH THE INDEBTEDNESS SECURED BY THIS SECURITY AGREEMENT. THE GUARANTOR SHALL HAVE THE OPTION OF FURNISHING THE REQUIRED INSURANCE EITHER THROUGH EXISTING POLICIES OF INSURANCE OWNED OR CONTROLLED BY THE GUARANTOR OR

OF PROCURING AND FURNISHING EQUIVALENT INSURANCE COVERAGES THROUGH ANY INSURANCE GUARANTOR AUTHORIZED TO TRANSACT BUSINESS IN TEXAS

- to keep accurate books and records on the Collateral and any proceeds of the Collateral;
- not to attach Collateral to any real property or fixture if, in doing so, the owner of such real property or fixture acquires rights to the Collateral, unless the Guarantor first obtains the written consent of any owner or other person with any interest in such real property or fixture permitting the Bank to remove the Collateral without any obligation or liability,
- to execute and deliver such financing statements, and do such other things, as the Bank may from time to time require in order to perfect and preserve the security interest hereby granted and the priority of such security interest, and
- if any amount payable under or in connection with any of the Collateral shall become evidenced by any promissory note or other instrument, to deliver to Bank such instrument (which shall be immediately pledged to Bank hereunder), duly endorsed in a manner satisfactory to Bank

3. RIGHTS OF THE BANK The Bank may

- enter at any reasonable time to inspect the Collateral and the Guarantor's premises,
- use any of the Guarantor's equipment, facilities, or buildings to protect the collateral, and
- verify the Collateral and inspect and copy the Guarantor's books and records relating to the Collateral

The Bank also has the right, at any time, to

- receive and open any mail addressed to the Guarantor, and remove any proceeds of the Collateral,
- endorse the Guarantor's name on any remittances, checks, or other evidences of payment,
- endorse the Guarantor's name on any insurance checks, drafts, collections, receipts or other documents related to the Collateral; and
- demand and collect any sums due on the Collateral, in the Guarantor's name or in the Bank's name.

If at any time the Bank requires, the Guarantor promises to

- periodically provide the Bank with any contracts or other matters that affect the Collateral, and with records and schedules on the Collateral showing the status and condition of the Collateral, and where it is located; and
- notify the Guarantor's debtors, creditors, purchasers of the Collateral, or other persons of the Bank's security interest

The Guarantor appoints the Bank as its attorney-in-fact to take measures the Bank believes necessary or advisable to preserve, process, develop, protect, care for, or insure the Collateral

Guarantor hereby constitutes and appoints Secured Party its true, lawful and irrevocable attorney to demand, receive and enforce payments and to give receipts, releases, satisfactions for and to sue for all moneys payable to the Guarantor and this may be done either in the name of the Guarantor or in the name of Secured Party with the same force and effect as the Guarantor could do if this Security Agreement had not been made Any and all moneys or payments which may be received by the Guarantor to which Secured Party is entitled under and by reason of this Security Agreement will be received by Guarantor as trustee for the Secured Party, and will be immediately delivered in kind to Secured Party without commingling. Guarantor hereby represents and warrants to Secured Party that the accounts or contract rights above assigned have not heretofore been alienated or assigned

4. DEBTS COVERED BY THIS AGREEMENT This agreement secures all of the Guarantor's present and future debts and obligations to the Bank, including obligations that are

- now existing or hereafter incurred or created;
- voluntarily or involuntarily created,
- originally owing to the Bank or acquired by the Bank,
- payable now or in the future, or

contingent on some event, such as obligations under a guaranty, including without limitation, the Individual Loan Agreement dated March 31, 1997 between Bank of America Texas, N.A. and William G Thomas

Unless specifically agreed in writing, this agreement does not cover consumer credit of the Guarantor to the Bank covered by the federal Truth in Lending Act.

5. REQUIRED NOTICE TO THE BANK The Guarantor promises to notify the Bank in writing of any event that affects the value of the Collateral or the ability to dispose of the Collateral, including any levy or legal process against the Collateral

The Guarantor also promises to notify the Bank in writing in advance of a change in or addition to the Guarantor's:

- place of business,
- location of books and records, or chief executive office,
- name,
- business organization, or
- location of any collateral

6. DEFAULT The Following events shall constitute events of default hereunder

- the Guarantor fails to make a payment, fails to meet the conditions, or fails to perform an obligation under this agreement, or
 - any other agreement the Guarantor has with the Bank or any affiliate of the Bank,
 - the Bank fails to have an enforceable first lien on (except for any prior liens to which the Bank has consented in writing) or security interest in any Collateral;
 - the Guarantor has given the Bank false or misleading information or representations,
 - any guarantor dies, if the Guarantor is a sole proprietorship, any owner dies, if the Guarantor is a partnership, any partner dies, or if the Guarantor is a corporation, any principal officer or major stockholder dies,
 - the Guarantor files a bankruptcy petition, a bankruptcy petition is filed against the company, or the Guarantor makes a general assignment for the benefit of creditors;
 - a receiver or similar official is appointed for the Guarantor's or any guarantor's business or the business is terminated
- an event of default occurs under the terms of any indebtedness secured hereby.

In the event of default, the Bank may, without demand, presentment, protest, notice of protest, notice of intention to accelerate, notice of acceleration, or other notice of any kind, all of which are hereby waived by the Guarantor to the extent permitted by applicable law

- declare all the Guarantor's debt to the Bank immediately due and payable,
- exercise the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law
- enter the Guarantor's property and take possession of any Collateral and related records (or require the Guarantor to make them available at a designated location),
- use the Guarantor's property (including any buildings, facilities and equipment) if the Bank considers it necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale, or lease, or otherwise, dispose of the Collateral,
- extend or settle claims relating to the Collateral at less than face value without notice,
- have a receiver appointed to take possession of the Collateral,
- use or transfer any of the Guarantor's rights or interests in the following to protect, preserve, maintain, process, assemble, develop, market or sell any Collateral
- trademarks or service marks,
- trade names or styles,
- copyrights,
- patent rights or technical processes, applications for trademarks, service marks, copyrights or patents,
- rights,
- trade secrets,

computer software,
processes for technical manufacturing,
packaging and labeling,
customer lists,
working drawings,
instructional manuals, and
any other tangible or intangible property in which the Guarantor has any right or interest by ownership, license, contract or any other means,
immediately apply funds in any deposit accounts maintained by the Guarantor with the Bank to reduce the debt secured by this agreement,
take any other actions the Bank considers necessary or advisable to take possession of, protect, preserve, maintain, process, assemble, develop, prepare for sale or lease, or insure any Collateral; and
act as the Guarantor's attorney-in-fact to execute any of the above or any other actions or proceedings in connection with this agreement.

7. ENFORCING THE AGREEMENT The Guarantor will sign, and authorizes the Bank to file, a financing statement and appropriate for the Collateral and its proceeds. The Bank may file any other papers required in connection with this agreement. The Guarantor agrees to take any other action needed to protect the Bank's security interest and pledge of the collateral.

All papers furnished to the Bank must be in form and content satisfactory to the Bank.

The Guarantor agrees to repay the Bank immediately upon demand, and with interest at an annual rate equal to the highest rate of interest on any debt secured by this agreement, any expense incurred by the Bank in exercising its rights under this agreement, including the cost of collections, liquidations, insurance premiums, attorneys' fees and allocated costs of in-house counsel. Such expenses are secured by this agreement. Notwithstanding the foregoing, if the indebtedness secured by this agreement was extended primarily for the purchase of one or more motor vehicles (other than a heavy commercial vehicle), the expenses for which the Guarantor shall be liable pursuant to this paragraph shall not exceed the following: all amounts actually incurred by the Bank as court costs, attorneys' fees assessed by a court, and the reasonable cost actually expended for repossessing, storing, preparing for sale, or selling any Collateral.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH TEXAS LAW AND THE GUARANTOR SUBMITS TO THE JURISDICTION OF THE TEXAS COURTS. The Bank's rights under this agreement are in addition to all rights it has under law or by other agreements. If the Bank delays or waives exercising a right, the Bank does not forfeit it or any other rights.

All terms that are not defined in this agreement have the meaning defined in the Texas Uniform Commercial Code.

8. NO ORAL AGREEMENTS. THIS WRITTEN SECURITY AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9. SIGNATURES/DATE

This agreement is executed by the Bank and the Guarantor as of March 31, 1997
gg

BANK:

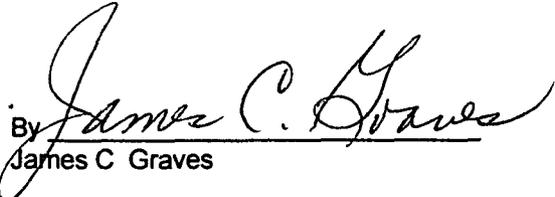
BANK OF AMERICA TEXAS, N.A.

By 
Joseph R. Patterson, Jr. Vice President

Address where notices to the Bank are to be sent:

Houston Commercial Lending #2552
333 Clay Street, Suite #3600
Houston, Texas 77002

Guarantor:

By 
James C. Graves

Address where notices to the Guarantor are to be sent:

~~3139 Chippers Crossing~~ *90 ALN X Corporation*
~~Montgomery, TX 77356~~ *10077 Grogans Mill Rd*
Suite 450
The Woodlands, Tx 77389
gg

I, James C Graves, certify that I am the person described in and who executed the foregoing instrument and that I acknowledge that I executed the same as my free act and deed I further declare and certify under penalty of perjury that the foregoing is true and correct.

Executed on 31 Mar 1997

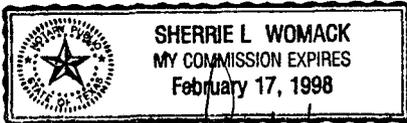
x James C. Graves
James C Graves

Individual Form of Acknowledgment

State of TEXAS

County of HARRIS, ss

On this 31st day of March, 1997, before me, personally appeared James C Graves, to me known to be the person described in and who executed the foregoing instrument and (s)he executed the same as his/her free act and deed



(SEAL)

Sherrie L. Womack
Signature of Notary Public

My commission expires 2-17-98

James C Graves/Guarantor
Security Agreement
March 31, 1997



EXHIBIT "A"

All management contracts and subsequent leases related to the rail tank cars described below

The following described rail tank cars, including all equipment, parts and accessories which are installed or affixed in the rail tank cars now or in the future

<u>Class</u>	<u>Capacity</u>	<u>New Serial #</u>
111A100W3	23,500 Gallons	GLNX 24001
111A100W3	23,500 Gallons	GLNX 83018
111A100W1	23,500 Gallons	GLNX 83024
105J300W	34,000 Gallons	GLNX 34034
112J340W	34,000 Gallons	GLNX 32508
112J340W	34,000 Gallons	GLNX 32509

Initial X  X