

WINSTEAD

RECORDATION NO. 21928-A FILED

SEP 13 2001 12-51 PM

TS
SURFACE TRANSPORTATION BOARD

September 10, 2001

direct dial: 713.650.2761
klee@winstead.com

VIA OVERNIGHT DELIVERY

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Suite 700
Washington, D.C. 20423-001



Re: Sterling Bank/James C. Graves

Dear Mr. Williams:

On behalf of Sterling Bank, I hereby submit for filing and recording an executed original of a secondary document, entitled Ratification of Previously Executed Railroad Car Mortgages, Security Agreements, Assignments of Interest in Leases and Financing Statements ("Ratification") dated as of August 15, 2001. The Ratification is a ratification of certain collateral referenced in that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated November 30, 1998 between James C. Graves and The James C. Graves Living Trust, as Mortgagor, and Sterling Bank, as Mortgagee, which was duly filed on January 4, 1999 in accordance with 49 U.S.C. 11303 (a) under Recordation Number 21928.

The parties to the Ratification are:

Sterling Bank, as Mortgagee
13111 Westheimer Road
Houston, Texas 77077

James C. Graves and The James C. Graves
Living Trust, as Mortgagor
10077 Grogan's Mill Road, Suite 450
The Woodlands, Texas 77380

A short summary of the Ratification is as follows:

Ratification of Previously Executed Railroad Car Mortgages, Security Agreements, Assignments of Interest in Leases and Financing Statements dated as of August 15, 2001, between Sterling Bank, as Mortgagee, and James C. Graves and The James C. Graves

2400 BANK ONE CENTER
910 TRAVIS STREET
HOUSTON, TEXAS 77002

PH 713.650.8400
FAX 713.650.2400
WINSTEAD.COM

WINSTEAD SECHREST & MINICK
Attorneys and Counselors
A Professional Corporation

Dallas, Houston,
Austin, Fort Worth,
Mexico City

09/10/01

Page 2

Living Trust, as Mortgagor, pursuant to which Mortgagor acknowledges that the collateral secures additional indebtedness of Mortgagor to Mortgagee.

The said Ratification acts to reaffirm the liens in the forty-nine (49) GLNX railroad cars described below:

GLNX	151
GLNX	153
GLNX	161
GLNX	164
GLNX	167
GLNX	179
GLNX	186
GLNX	202
GLNX	209
GLNX	228
GLNX	288
GLNX	290
GLNX	301
GLNX	302
GLNX	3008
GLNX	3009
GLNX	3016
GLNX	3517
GLNX	3560
GLNX	3587
GLNX	3623
GLNX	21049
GLNX	21112
GLNX	23003
GLNX	23250
GLNX	32014
GLNX	32500
GLNX	32502
GLNX	32505
GLNX	33504
GLNX	33506
GLNX	34323
GLNX	34324
GLNX	34325
GLNX	34326
GLNX	34327
GLNX	34328
GLNX	34329
GLNX	34330
GLNX	83022
GLNX	86032
GLNX	86054
GLNX	86096
GLNX	86240

09/10/01
Page 3

GLNX	86258
GLNX	86330
GLNX	86333
GLNX	86337
GLNX	86339

Enclosed is a check in the amount of \$28.00 in payment of the filing fee. The file-stamped copy of the Ratification should be returned to the undersigned at 910 Travis, Suite 2400, Houston, Texas 77002.

Thank you for your assistance and don't hesitate to contact me at (713) 650-2761 if you have any questions or need additional information.

Very truly yours,



Kelly Lee
Legal Assistant

Enclosures

cc: Mitchell S. Schulman (w/enclosures)
James W. Doyle, Esq. (Firm)

HOUSTON_1\514609\1
09/10/2001 - 20233-15

RECORDATION NO. 21928-A FILED

SEP 13 2001 12:51 PM

SURFACE TRANSPORTATION BOARD

**RATIFICATION OF PREVIOUSLY EXECUTED RAILROAD CAR
MORTGAGES, SECURITY AGREEMENTS, ASSIGNMENTS OF
INTEREST IN LEASES AND FINANCING STATEMENTS**

This is a secondary document and is a ratification of that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated November 30, 1998 between James C. Graves and The James C. Graves Living Trust, as Debtors, and Sterling Bank, as Secured Party, which was duly filed on January 4, 1999 in accordance with 49 U.S.C. 11303 (a) under Recordation Number 21928.

MORTGAGOR: JAMES C. GRAVES AND
THE JAMES C. GRAVES LIVING TRUST
10077 Grogan's Mill Road, Suite 450
The Woodlands, Texas 77380

MORTGAGEE: STERLING BANK
13111 Westheimer Road
Houston, Texas 77077

COLLATERAL: Railroad cars bearing the numbers below:

GLNX	151
GLNX	153
GLNX	161
GLNX	164
GLNX	167
GLNX	179
GLNX	186
GLNX	202
GLNX	209
GLNX	228
GLNX	288
GLNX	290
GLNX	301
GLNX	302
GLNX	3008
GLNX	3009
GLNX	3016
GLNX	3517
GLNX	3560

GLNX	3587
GLNX	3623
GLNX	21049
GLNX	21112
GLNX	23003
GLNX	23250
GLNX	32014
GLNX	32500
GLNX	32502
GLNX	32505
GLNX	33504
GLNX	33506
GLNX	34323
GLNX	34324
GLNX	34325
GLNX	34326
GLNX	34327
GLNX	34328
GLNX	34329
GLNX	34330
GLNX	83022
GLNX	86032
GLNX	86054
GLNX	86096
GLNX	86240
GLNX	86258
GLNX	86330
GLNX	86333
GLNX	86337
GLNX	86339

HOUSTON_1\512444\1
08/29/2001 - 20233-15

**RATIFICATION OF PREVIOUSLY EXECUTED
RAILROAD CAR MORTGAGES, SECURITY AGREEMENTS, ASSIGNMENTS OF
INTEREST IN LEASES AND FINANCING STATEMENTS**

This Ratification, dated as of the 15th day of August, 2001, is by and between JAMES C. GRAVES, an individual, and THE JAMES C. GRAVES LIVING TRUST (hereinafter collectively referred to as the "Pledgor"), both of whom's address for notice purposes is 3139 Chipper's Crossing, Montgomery, Texas 77356 for the benefit of STERLING BANK, a Texas banking association (the "Secured Party") whose address is P. O. Box 40333, Houston, Texas 77240-0333.

RECITALS:

WHEREAS, the Pledgor has heretofore executed that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated on or about November 30, 1998 (as the same may have been previously ratified and amended, "Security Agreement A"), covering and describing forty-nine (49) rail cars and management agreements related thereto ("Collateral A") and that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated as of December 17, 1999 (as the same may have been previously ratified and amended, "Security Agreement B") (Security Agreement A and Security Agreement B are collectively, the "Security Agreement"), covering and describing thirteen (13) rail cars and management agreements related thereto ("Collateral B") (Collateral A and Collateral B hereinafter referred to as the "Collateral");

WHEREAS, the Secured Party has previously executed that One Certain Partial Release Of Railroad Car Mortgage And Security Interest, releasing its lien in eleven (11) of the rail cars described in the above-referenced Security Agreement;

WHEREAS, the Security Agreement was executed and delivered to secure the payment of certain obligations of the Pledgor, including that certain promissory note dated as of November 30, 1998 in the maximum principal sum of \$300,000 ("Note A"), that certain promissory note dated as of November 30, 1998 in the maximum principal sum of \$100,000 ("Note B"), that certain promissory note dated as of November 30, 1998 in the original principal sum of \$1,275,000 ("Note C"), and that certain promissory note dated as of December 17, 1999 in the original principal sum of \$400,000 ("Note D"), all executed by Pledgor and payable to the order of Secured Party (Note A, Note B, Note C and Note D are collectively referred to herein as the "Notes");

WHEREAS, the benefits of the Secured Party under the Security Agreement and the Notes are still owned and held by the Secured Party;

WHEREAS, the Pledgor desires to pledge the collateral to secure additional indebtedness in the form of a \$400,000 loan to be made by the Secured Party to James C. Graves and Angela Graves; and

WHEREAS, in connection therewith, Pledgor desires to ratify the Security Agreement.

RECORDATION NO. 21928-A FILED

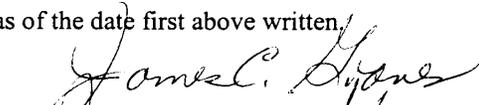
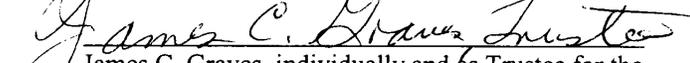
SEP 13 2001 12:51 PM

SURFACE TRANSPORTATION BOARD

NOW, THEREFORE, in consideration of the foregoing, the benefits to be derived by the Pledgor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Pledgor, the Pledgor hereto agrees as follows:

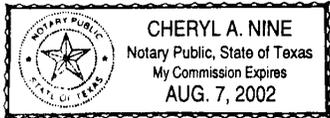
1. ADVANCE OF ADDITIONAL CREDIT. The Pledgor has requested that the Secured Party advance, based upon the collateral described in the Security Agreement, and to be secured by the collateral in the Security Agreement, \$400,000 to James C. Graves and Angela Graves.
2. WARRANTIES, REPRESENTATIONS AND COVENANTS. The warranties, representations and covenants of Pledgor contained in the Security Agreement are hereby remade by the Pledgor to the Secured Party and are in full force and effect as of the date hereof.
3. REAFFIRMATION OF SECURITY AGREEMENT. To secure the secured indebtedness described in the Security Agreement, including, but not limited to, the \$400,000 Note described herein payable to the Secured Party by James C. Graves and Angela Graves, together with all renewals, extensions, rearrangements thereof, Pledgor has granted, assigned, transferred and conveyed and by these presents does grant, assign, transfer and convey a security interest in and to the Collateral for the benefit of Secured Party.
4. TERMS DEFINED. As used herein, all terms not defined herein shall have the meaning ascribed to them in the Security Agreement.
5. MISCELLANEOUS. This Agreement shall be considered as an amendment and ratification to the Security Agreement, and except as herein expressly amended, the Security Agreement is hereby ratified, approved and confirmed in every respect, all references to the foregoing Security Agreement and any documents heretofore executed or hereafter executed shall be deemed to refer to the Security Agreement as amended by this instrument.

EXECUTED by the Pledgor as of the date first above written,



James C. Graves, individually and as Trustee for the
James C. Graves Living Trust

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

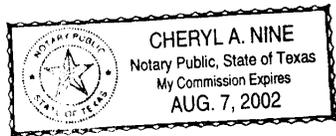
On this 31ST day of August, 2001, before me personally appeared JAMES C. GRAVES, to me personally known, who being by me duly sworn, says that his execution of the foregoing instrument was his free act and deed.



Cheryl A. Nine
Notary Public in and for
the State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 31ST day of August, 2001, before me personally appeared James C. Graves, to me personally known, who being by me duly sworn, says that he is the Trustee of THE JAMES C. GRAVES LIVING TRUST and he acknowledged that the execution of the foregoing instrument was the free act and deed of said trust.



Cheryl A. Nine
Notary Public in and for
the State of Texas