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May 25, 2011

RECORDATION NO. 29811 FILED

JUN 14 11 -10 05 AM

SURFACE TRANSPORTATION BOARD

Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: Recordation fee for
Security Agreement (Hondo Railway, LLC) submitted on May 24, 2011

Dear Sir or Madam:

Enclosed is our firm check in the amount of \$34.00 for payment of the recordation fee of the Security Agreement submitted electronically on May 24, 2011 (see enclosed copy of document and email response notifying our office that the recordation had been submitted).

Thank you.

Sincerely,



Ty Layne, Legal Secretary

Enclosures as stated

SECURITY AGREEMENT

RECORDATION NO. 29811 FILED

JUN 14 '11 -10 06 AM

SURFACE TRANSPORTATION BOARD

Date: April 11, 2011
Debtor: Hondo Railway, LLC
Debtor's Mailing Address: 9901 IH10 West, Suite 795
San Antonio, Bexar County, Texas 78230
Secured Party: PlainsCapital Bank
Secured Party's Mailing Address: 70 NE Loop 410, Suite 100
San Antonio, Bexar County, Texas 78216
Classification of Collateral: Fixtures and Equipment

Collateral: All right, title and interest in and to the two locomotives and railroad track and related property owned by Borrower and used in Borrower's short line rail-road operations in Hondo, Texas and as more particularly described on the attached **APPENDIX A** and all accessions, parts, accessories and replacements thereto and all proceeds from the sale thereof.

Obligation:

Note:

Date: April 11, 2011
Original principal amount: \$1,000,000.00
Borrower (Obligor): Hondo Railway, LLC, a Texas limited liability company
Lender (Secured Party): PlainsCapital Bank
Maturity date: July 11, 2011

Terms of payment: Interest only will be due and payable monthly as it accrues, commencing on the 11th day of May, 2011, and continuing on the 11th day of each successive month thereafter until July 11, 2011, the Maturity Date, at which time the outstanding principal balance of this Note, together with all accrued but unpaid interest will be due and payable.

Other debt/Future advances: The security interest also secures all other present and future debts and liabilities of Debtor and/or Obligor to Secured Party, including future advances.

Debtor's Representations Concerning Debtor and Locations:

The collateral is located solely at:

915 Carter Avenue
Hondo, Medina County, Texas 78861

Debtor's place of business/Debtor's chief executive office is located at:

9901 IH10 West, Suite 795
San Antonio, Bexar County, Texas 78230

Debtor's state of organization is Texas; Debtor's name, as shown in its organizational documents is: Hondo Railway, LLC, a Texas limited liability company

Debtor's federal tax identification number is: 20-5771897

Debtor's records concerning the Collateral are located at:

9901 EH10 West, Suite 795
San Antonio, Bexar County, Texas 78230

Debtor grants to Secured Party a security interest in the Collateral and all its proceeds to secure the Obligation and all renewals, modifications, and extensions of the Obligation. Debtor authorizes Secured Party to file a financing statement describing the Collateral.

A. Debtor represents and warrants the following:

1. No financing statement covering the Collateral is filed in any public office except any financing statement in favor of Secured Party.
2. Debtor owns the Collateral and has the authority to grant this security interest, free from any setoff, claim, restriction, security interest, or encumbrance except liens for taxes not yet due.
3. All information about Debtor's financial condition is or will be accurate when provided to Secured Party.
4. Each account in the Collateral is and will be the valid, legally enforceable obligation of a third-party account debtor or obligor.
5. If any Collateral or proceeds include obligations of third parties to Debtor, the transactions creating those obligations conform and will conform in all respects to applicable state and federal consumer credit law.

B. Debtor agrees to:

1. Defend the Collateral against all claims adverse to Secured Party's interest; pay all taxes imposed on the Collateral; keep the Collateral free from liens, except for liens in favor of Secured Party or for taxes not yet due; and keep the Collateral in Debtor's possession and ownership except as otherwise provided in this agreement.

2. Pay all Secured Party's expenses, including reasonable attorney's fees, incurred to obtain, preserve, perfect, defend, and enforce this agreement or the Collateral and to collect or enforce the Obligation. These expenses will bear interest from the date of advance at the rate stated in the Note for matured, unpaid amounts and are payable on demand at the place where the Obligation is payable. These expenses and interest are part of the Obligation and are secured by this agreement.

3. Sign and deliver to Secured Party any documents or instruments that Secured Party considers necessary to obtain, maintain, and perfect this security interest in the Collateral.

4. Notify Secured Party immediately of any event of default and of any material change (a) in the Collateral, (b) in Debtor's Mailing Address, (c) in the location of any Collateral, (d) in any other representation or warranty in this agreement, and (e) that may affect this security interest, and of any change (f) in Debtor's name and (g) of any location set forth above to another state.

5. Maintain accurate records of the Collateral at the address set forth above; furnish Secured Party any requested information related to the Collateral; and permit Secured Party to inspect and copy all records relating to the Collateral.

6. Except in the ordinary course of business, preserve the liability of all obligors on the Collateral and preserve the priority of all security for the Collateral.

7. Upon event of default and on Secured Party's demand, hold payments, including instruments, items, and money received as proceeds of the Collateral, separate and in an express trust for Secured Party and deposit all such payments received as proceeds of the Collateral in a special bank account designated by Secured Party, who alone will have power of withdrawal.

C. Debtor agrees not to:

1. Sell, transfer, or encumber any of the Collateral, except in the ordinary course of Debtor's business.

2. Change its name or jurisdiction of organization, merge or consolidate with any person, or convert to a different entity without notifying Secured Party in advance and taking action to continue the perfected status of the security interest in the Collateral.

3. Change the state in which Debtor's place of business (or chief executive office if Debtor has more than one place of business) is located, change its name, or convert to a different entity without notifying Secured Party in advance and taking action to continue the perfected status of the security interest in the Collateral.

4. Change Debtor's name or state of residence without notifying Secured Party in advance and taking action to continue the perfected status of the security interest in the Collateral.

5. Except in the ordinary course of business modify any agreement related to the Collateral.

D. Insurance and Risk of Loss

1. Debtor will insure the Collateral in accordance with Secured Party's reasonable requirements regarding choice of carrier, risks insured against, and amount of coverage. Policies must be written in favor of Debtor, be endorsed to name Secured Party as an additional insured or as otherwise directed in writing by Secured Party, and provide that Secured Party will receive at least ten days' notice before cancellation. Debtor must provide copies of the policies or certificates to Secured Party.

2. Debtor assumes all risk of loss to the Collateral.

3. Debtor appoints Secured Party as attorney-in-fact to collect any returned unearned premiums and proceeds of any insurance on the Collateral and to endorse and deliver to Secured Party any payment from such insurance made payable to Debtor. Debtor's appointment of Secured Party as Debtor's agent is coupled with an interest and if Debtor is an individual will survive any disability of Debtor.

E. Default and Remedies

1. A default exists if:

a. Debtor, Obligor, or any secondary obligor fails to timely pay or perform any obligation or covenant in any written agreement between Secured Party and any of Debtor, Obligor, or secondary obligor;

b. Any warranty, covenant, or representation in this agreement or in any other written agreement between Secured Party and any of Debtor, Obligor, or secondary obligor is materially false when made;

c. A receiver is appointed for Debtor, Obligor, any secondary obligor, or any Collateral;

- d. Any Collateral is assigned for the benefit of creditors;
 - e. A bankruptcy or insolvency proceeding is commenced by Debtor, a partnership in which Debtor is a general partner, Obligor, or any secondary obligor;
 - f. A bankruptcy or insolvency proceeding is commenced against Debtor, a partnership in which Debtor is a general partner, Obligor, or any secondary obligor, and the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered;
 - g. Any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Debtor; a partnership of which Debtor is a general partner; Obligor; or any secondary obligor; or
 - h. Any Collateral is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral of like kind and quality or restored to its former condition.
2. If a default exists, Secured Party may:
- a. Demand, collect, convert, redeem, settle, compromise, receipt for, realize on, sue for, and adjust the Collateral either in Secured Party's or Debtor's name, as Secured Party desires, or take control of any proceeds of the Collateral and apply the proceeds against the Obligation;
 - b. Take possession of any Collateral not already in Secured Party's possession, without demand or legal process, and for that purpose Debtor grants Secured Party the right to enter any premises where the Collateral may be located;
 - c. Without taking possession, sell, lease, or otherwise dispose of the Collateral at any public or private sale in accordance with law;
 - d. Exercise any rights and remedies granted by law or this agreement;
 - e. Notify obligors on the Collateral to pay Secured Party directly and enforce Debtor's rights against such obligors; and

f. As Debtor's agent, make any endorsements in Debtor's name and on Debtor's behalf.

3. Foreclosure of this security interest by suit does not limit Secured Party's remedies, including the right to sell the Collateral under the terms of this agreement. Secured Party may exercise all remedies at the same or different times, and no remedy is a defense to any other. Secured Party's rights and remedies include all those granted by law and those specified in this agreement.

4. Secured Party's delay in exercising, partial exercise of, or failure to exercise any of its remedies or rights does not waive Secured Party's rights to subsequently exercise those remedies or rights. Secured Party's waiver of any default does not waive any other default by Debtor. Secured Party's waiver of any right in this agreement or of any default is binding only if it is in writing. Secured Party may remedy any default without waiving it.

5. At any time Secured Party may contact obligors on the Collateral directly to verify information furnished by Debtor.

6. Secured Party has no obligation to collect any of the Collateral and is not liable for failure to collect any of the Collateral, for failure to preserve any rights pertaining to the Collateral, or for any act or omission on the part of Secured Party or Secured Party's officers, agents, or employees, except willful misconduct.

7. Secured Party has no obligation to satisfy the Obligation by attempting to collect the Obligation from any other person liable for it. Secured Party may release, modify, or waive any collateral provided by any other person to secure any of the Obligation. If Secured Party attempts to collect the Obligation from any other person liable for it or releases, modifies, or waives any collateral provided by any other person, that will not affect Secured Party's rights against Debtor. Debtor waives any right Debtor may have to require Secured Party to pursue any third person for any of the Obligation.

8. If Secured Party must comply with any applicable state or federal law requirements in connection with a disposition of the Collateral, such compliance will not be considered to adversely affect the commercial reasonableness of a sale of the Collateral.

9. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of a sale of the Collateral.

10. If Secured Party sells any of the Collateral on credit, Debtor will be credited only with payments actually made by the purchaser and received by Secured Party for application to the indebtedness of the purchaser. If the purchaser fails to pay for the Collateral, Secured Party

may resell the Collateral and Debtor will be credited with the proceeds of the sale.

11. If Secured Party purchases any of the Collateral being sold, Secured Party may pay for the Collateral by crediting the purchase price against the Obligation.

12. If the Collateral is sold after default, recitals in the bill of sale or transfer will be prima facie evidence of their truth and all prerequisites to the sale specified by this agreement and by law will be presumed satisfied.

F. General

1. Notice is reasonable if it is mailed, postage prepaid, to Debtor at Debtor's Mailing Address at least ten days before any public sale or ten days before the time when the Collateral may be otherwise disposed of without further notice to Debtor.

2. This security interest will attach to an after-acquired commercial tort claim only to the extent permitted by law.

3. This security interest will neither affect nor be affected by any other security for any of the Obligation. Neither extensions of any of the Obligation nor releases of any of the Collateral will affect the priority or validity of this security interest.

4. This agreement binds, benefits, and may be enforced by the successors in interest of Secured Party and will bind all persons who become bound as debtors to this agreement. Assignment of any part of the Obligation and Secured Party's delivery of any part of the Collateral will fully discharge Secured Party from responsibility for that part of the Collateral. If such an assignment is made, Debtor will render performance under this agreement to the assignee. Debtor waives and will not assert against any assignee any claims, defenses, or setoffs that Debtor could assert against Secured Party except defenses that cannot be waived. All representations, warranties, and obligations are joint and several as to each Debtor.

5. This agreement may be amended only by an instrument in writing signed by Secured Party and Debtor.

6. The unenforceability of any provision of this agreement will not affect the enforceability or validity of any other provision.

7. This agreement will be construed according to Texas law, without regard to choice-of-law rules of any jurisdiction. This agreement is to be performed in the county of Secured Party's Mailing Address.

8. Interest on the Obligation secured by this agreement will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received

under law. Any interest in excess of that maximum amount will be credited on the principal of the Obligation or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the Obligation or, if the principal of the Obligation has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the Obligation.

9. In no event may this agreement secure payment of any debt subject to title IV of the Texas Finance Code or create a lien otherwise prohibited by law.

10. When the context requires, singular nouns and pronouns include the plural.

11. Any term defined in sections 1.101 to 11.108 of the Texas Business and Commerce Code and not defined in this agreement has the meaning given to the term in the Code.

DEBTOR

HONDO RAILWAY, LLC, a Texas limited liability company

By: 
MARK HOLLAND, Manager/Director

CONSENT AND SUBORDINATION

Holland & Lee Properties, LLC is the owner of the real property upon which the approximate 15 miles of railroad track and associated equipment and materials is affixed. Holland & Lee Properties, LLC is a related company to the Borrower and agrees that the lien on the railroad track held by Lender is superior to the interest of Holland & Lee Properties, LLC and consent is hereby given to the lien created in this Security Agreement.

HOLLAND & LEE PROPERTIES, LLC

By: 
MARK HOLLAND, Manager

APPENDIX A

Description of Collateral

1. Locomotive #HRR 1586
2. Locomotive #HRR 1978
3. Approximately 15 miles of railroad track, rail bed, rail ties, switches and other associated materials and equipment located on three tracts of land in Medina County, Texas, being: Tract I-25.783 acres (Exhibit B-1); Tract II-25.783 acres (Exhibit B-2); and Tract III-5.002 acres (Exhibit B-3), SAVE AND EXCEPT 5.980 acres (Exhibit A), each tract more particularly described on APPENDIX A-1, attached hereto. The Tracts are in the process of being platted as Lot 1 (5.908 acres), Lot 2 (49.392 acres) and Lot 3 (1.196 acres) of STLT Subdivision, Medina County, Texas.

Appendix A

Security Agreement
DM #208954 v1
4878/1
Hondo Railway, LLC

APPENDIX A-1

Legal Description of Tract I

Doc# 201100598
Vol. 806 Page 124
81/31/2011 10:33AM

THE STATE OF TEXAS PREPARED FOR: City of Hondo
COUNTY OF MEDINA

FIELD NOTES TO DESCRIBE

A survey of 25.783 acres of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, having strage in the following original surveys:

SURVEY NO.	ABSTRACT NO.	ORIGINAL GRANTEE	ACRES
123	715	Michael Naguein	2.457
144	1030	August Willmer	1.195
146	315	Benedict Decker	18.702
147	313	Benedict Decker	3.429
Total:			25.783

said 25.783 acres of land being a portion of that certain 3517.90 acres of land, more or less, described in a Deed without Warranty to the City of Hondo from The United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 73 of the Deed Records of Medina County, Texas, and being more particularly described by metes and bounds as follows:

- BEGINNING:** At a 5/8" iron pin set at the point-of-intersection of the recognized East line of said Survey No. 146 (the recognized West line of said Survey No. 158, Abstract No. 1043, H. Wilson, original Grantee), and the North R.O.W. line of the Southern Pacific Railroad for the Southwest corner of that certain 112.6 acre tract of land (described as Tract I in a Quitclaim Deed to URC Enterprises, LLC from Universal Rundle Corporation, dated December 46, 2004, as recorded in Volume 568 on Page 444 of the Official Public Records of Medina County, Texas, a Southeast corner of said 3517.90 acres of land, more or less, and the Southeast corner of this survey;
- THENCE:** Generally along a fence, the North R.O.W. line of said Southern Pacific Railroad, and the westernmost South line of said 3517.90 acres of land, more or less, S 83-06-48 W 6770.00 feet to a 5/8" iron pin set for the lower Northwest corner of this survey;
- THENCE:** N 06-53-12 W 75.00 feet to the lower Northwest corner of this survey;
- THENCE:** N 83-06-48 E 4470.00 feet to a 5/8" iron pin set for an interior corner of this survey;
- THENCE:** N 06-53-12 W 300.00 feet to a 5/8" iron pin set for the upper Northwest corner of this survey;
- THENCE:** N 83-06-48 E 2050.00 feet to a 5/8" iron pin set for the upper Northeast corner of this survey;
- THENCE:** S 06-53-12 E 300.00 feet to a 5/8" iron pin set for an interior corner of this survey;
- THENCE:** N 83-06-48 E 259.50 feet to a 5/8" iron pin set in fence on the West line of said 112.6 acre tract of land and a lower East line of said 3517.90 acres of land, more or less, for the lower Northeast corner of this survey;
- THENCE:** Along fence, the West line of said 112.6 acre tract of land, and a lower

EXHIBIT " B-1 " Page 1 of 2

APPENDIX A-1

Doc# 208950095
Vol. 783 Page 1275
11/31/2011 18:33AM

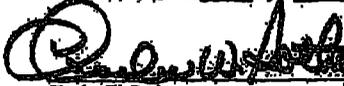
City of Hondo (25.783 Acres) -- Page 2

feet to the POINT OF BEGINNING.

Doc# 2011080598
Vol. 806 Page 125
11/31/2011 18:33AM

The bearings are 00°03'50" clockwise from Geodetic North, as taken from GPS Observations.

I certify that the foregoing field notes description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this 29th day of October, 2005.


Charles W. Rothe
Registered Professional Surveyor No. 2453
1709 Avenue K, P. O. Box 426
Hondo, Texas 78861
Ph. (830) 426-3005
FAX (830) 426-8160



Any provision here which restricts the sale, rental or use of the described real property because of color or race is invalid and unenforceable under Federal law.
THE STATE OF TEXAS
COUNTY OF MEDINA
I hereby certify that the Instrument FILED in number sequence and stamped hereon by me and was duly RECORDED in the Official Records of Medina County Texas on 11/31/2011
COUNTY CLERK
MEDINA COUNTY, TEXAS



Alisa J. Wierwille

Any provision here which restricts the sale, rental or use of the described real property because of color or race is invalid and unenforceable under Federal law.
THE STATE OF TEXAS
COUNTY OF MEDINA
I hereby certify that the Instrument FILED in number sequence and stamped hereon by me and was duly RECORDED in the Official Records of Medina County Texas on 11/31/2011
COUNTY CLERK
MEDINA COUNTY, TEXAS



Alisa J. Wierwille

Any provision here which restricts the sale, rental or use of the described real property because of color or race is invalid and unenforceable under Federal law.
THE STATE OF TEXAS
COUNTY OF MEDINA
I hereby certify that the Instrument FILED in number sequence and stamped hereon by me and was duly RECORDED in the Official Records of Medina County Texas on 11/31/2011
COUNTY CLERK
MEDINA COUNTY, TEXAS

EXHIBIT " B - 2 "
Page 2 of 2

APPENDIX A-1

Legal Description of Tract II

THE STATE OF TEXAS
COUNTY OF MEDINA

PREPARED FOR: City of Hondo

Doc# 2008007554
Vol. 729 Page 1050
09/23/2008 2:42PM

Doc# 2011000599
Vol. 806 Page 130
01/31/2011 10:33AM

FIELD NOTES TO DESCRIBE

A survey of 25.783 acres of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, having acreage in the following original surveys:

SURVEY NO.	ABSTRACT NO.	ORIGINAL GRANTEE.	ACRES
122	716	Michael Naguelin	3.543
123	715	Michael Naguelin	1.434
144	1036	August Willemir	0.197
146	315	Benedict Decker	3.315
147	313	Benedict Decker	18.294
Total			25.783

said 25.783 acres of land being a portion of that certain 3517.90 acres of land, more or less, described in a Deed without Warranty to the City of Hondo from The United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 73 of the Deed Records of Medina County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING: At a 5/8" iron pin found for an interior corner of that certain adjoining 25.783 acre tract of land surveyed October 20, 2005, for conveyance to Southwest Texas Liquid Terminal from the City of Hondo and the Southeast corner of this survey from which a 5/8" iron pin set at the point of intersection of the recognized East line of said Survey No. 146 (the recognized West line of Survey No. 158, Abstract No. 1042, H. Wilson, original Grantee) and the North R.O.W. line of the Southern Pacific Railroad for the Southwest corner of that certain 113.6 acre tract of land described as Tract 1 in a Quitclaim Deed to URC Enterprises, LLC from Universal Rundle Corporation, dated December 16, 2004, as recorded in Volume 568 on Page 444 of the Official Public Records of Medina County, Texas, a Southeast corner of said 3517.90 acres of land, more or less, and the Southeast corner of said adjoining 25.783 acre tract of land bears S 06-53-12 E 75.00 feet and N 83-06-48 E 2300.00 feet.

THENCE: Along the lower North line of said adjoining 25.783 acre tract of land, S 83-06-48 W 3743.66 feet to a 5/8" iron pin set for the Southwest corner of this survey.

THENCE: N 06-53-12 W 300.00 feet to a 5/8" iron pin set for the Northwest corner of this survey.

THENCE: N 83-06-48 E 3743.66 feet to a 5/8" iron pin found for the upper Northwest corner of said adjoining 25.783 acre tract of land and the Northeast corner of this survey.

THENCE: Along the upper West line of said 25.783 acre tract of land, S 06-53-12 E 300.00 feet to the POINT OF BEGINNING.

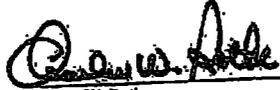
The bearings are 00°05'50" clockwise from Geodetic North as taken from GPS Observations.

I certify that the foregoing field note description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this the 16th day of August, 2007.

EXHIBIT ⁶ B - 2 ³³
Page 1 of 2

Doc# 2008007554
Vol. 729 Page 1691
01/23/2008 10:33AM

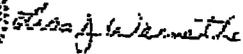
City of Hondo (25.783 Acres) - Page 2



Charles W. Rothe
Registered Professional Surveyor No. 2458
1705 Avenue K, P. O. Box 426
Hondo, Texas 78861
Ph. (830) 426-3005
FAX (830) 426-8160

Doc# 2011000559
Vol. 805 Page 131
01/31/2011 10:33AM

Any provision here which restricts the sale,
rental or use of the described real property
because of color or race is invalid and
unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF MEDINA
hereby certify that the instrument FILED in
number sequence and stamped hereon by
me and was duly RECORDED in the Official
Records of Medina County, Texas on 03/23/2008
COUNTY CLERK
MEDINA COUNTY, TEXAS



Any provision here which restricts the sale,
rental or use of the described real property
because of color or race is invalid and
unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF MEDINA
hereby certify that the instrument FILED in
number sequence and stamped hereon by
me and was duly RECORDED in the Official
Records of Medina County Texas on 01/31/2011
COUNTY CLERK
MEDINA COUNTY, TEXAS

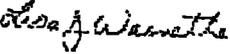


EXHIBIT " B - 2 . "

Page 2 of 2

APPENDIX A-1

Legal Description of Tract III

THE STATE OF TEXAS
COUNTY OF MEDINA

PREPARED FOR: The City of Hondo

Doc# 2008007558
Vol. 729 Page 1142
09/23/2008 2:57PM

Doc# 2011000600
Vol. 806 Page 136
01/31/2011 10:33AM

FIELD NOTES TO DESCRIBE

A survey of 5.002 acres of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, being 2.087 acres out of Survey No. 122, Abstract No. 716, Michael Naguelin, original Grantee, and 2.915 acres out of Survey No. 123, Abstract No. 715, Michael Naguelin, original Grantee, being a portion of that certain 3517.90 acres of land, more or less, described in a Deed with full Warranty to the City of Hondo from The United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 73 of the Deed Records of Medina County, Texas, and being more particularly described by metes and bounds as follows:

- BEGINNING:** At a 5/8" iron pin found on the lower North line of a certain 25.783 acre tract of land shown on the survey plat as Tract 1 and surveyed October 20, 2005, for conveyance to Southwest Texas Liquid Terminal from the City of Hondo, for the Southwest corner of another 25.783 acre tract of land surveyed August 16, 2007, also for conveyance to Southwest Texas Liquid Terminal from the City of Hondo, shown as Tract 2 of the aforementioned survey plat and the Southeast corner of this survey from which a 5/8" iron pin set at the point-of-intersection of the recognized East line of Survey No. 146, Abstract No. 313, Benjamin Decker, original Grantee, and the North R.O.W. line of the Southern-Pacific Railroad for the Southwest corner of that certain 112.6 acre tract of land described as Tract 1 to a Quitclaim Deed to URC Enterprises, LLC from Universal Rumble Corporation, dated December 16, 2004, as recorded in Volume 568 on Page 444 of the Official Public Records of Medina County, Texas, bears S 06-53-12 E 75.00 feet and N 83-06-48 E 6043.66 feet;
- THENCE:** Along the lower North line of said Tract 1, S 83-06-48 W 726.34 feet to a 5/8" iron pin found for the lower Northwest corner of said Tract 1 and the Southwest corner of this survey;
- THENCE:** N 06-53-12 W 300.00 feet to a 5/8" iron pin set for the Northwest corner of this survey;
- THENCE:** N 83-06-48 E 726.34 feet to a 5/8" iron pin set for the Northwest corner of said Tract 2 and the Northeast corner of this survey;
- THENCE:** Along the West line of said Tract 2, S 06-53-12 E 300.00 feet to the POINT OF BEGINNING.

The bearings are 00°03'50" clockwise from Geodetic North as taken from GPS Observations.

I certify that the foregoing field note description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this 24th day of August, 2007.

Any provision here which restricts the sale, use or use of the described real property on the basis of color or race is invalid and unenforceable under federal law.

Charles W. Rothe



Charles W. Rothe
Registered Professional Surveyor No. 2453
1705 Avenida K. P. O. Box 426
Hondo, Texas 78861
Ph: (830) 426-3005
FAX (830) 426-8160

THE STATE OF TEXAS
COUNTY OF MEDINA
heraby certify that the instrument FILED in number sequents and stamped hereon by me and was duly RECORDED in the Official Records of Medina County Texas on 01/31/2011.



Lisa J. Warrath

EXHIBIT " B - 3 "