



InterFirst Bank Fort Worth, N.A.
One Burnett Plaza
Post Office Box 2260
Fort Worth, Texas 76113
(817) 390-6161

RECORDATION NO. 15162 Filed & Recorded

FEB 4 1987 10-35 AM

INTERSTATE COMMERCE COMMISSION

January 7, 1987

VIA REGISTERED MAIL

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

Attn: Mildred Lee
Room 2302

Re: Rolling Stock Mortgage and Security Agreement

Gentlemen:

Enclosed are three executed counterparts of a Rolling Stock Mortgage and Security Agreement dated as of December 31, 1986 (the "Mortgage"). The names and addresses of the parties to the transaction are as follows:

Mortgagor: Robert E. Glaze
2001 Bryan Tower
Suite 3131
Dallas, Texas 75201

Mortgagee: InterFirst Bank Fort Worth, N.A.
One Burnett Plaza
500 West 7th Street
Fort Worth, Texas 76102
Attn: Lezlie Fowlkes, Vice President

Guarantors: Ernest D. Tucker
Michael Conlan
Donald Pilkinton
Katherine Glaze Lyle
Carl Glaze
c/o Ernest D. Tucker
2201 North Collins
Suite 251
Arlington, Texas 76011

The Mortgage covers twenty three thousand five hundred gallon nominal capacity tank cars DOT111A100W3, exterior coiled and insulated; one hundred-ton roller baring trucks bearing the following numbers: RTMX 12529, RTMX 12530, RTMX 12531, RTMX 12532, RTMX 12533, RTMX 12534, RTMX 12535, RTMX 12536, RTMX 12537, RTMX 12632, RTMX 12633, RTMX 12634, RTMX 12635, RTMX 12636, RTMX 12637, RTMX 12666, RTMX 12667, RTMX 12668, RTMX 12669, and RTMX 12670.



Also enclosed is a check for \$10.00 to cover the required filing fee. Accordingly, please record this document and return one counterpart to me with the filing information thereon. If you need any further information concerning the Mortgage or the railroad cars, please feel free to contact me at the above-referenced number or my attorney, Lowell Pugh at (214) 651-2121.

Very truly yours,

INTERFIRST BANK FORT WORTH, N.A.

By *Lezlie Fowlkes*
Lezlie Fowlkes, Vice President

LF/sg

cc: Lowell E. Pugh II

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

2/4/87

LEZLIE FOWLKES
VICE PRESIDENT
INTERFRIST BANK FORT WORTH, N.A.
ONE BURNETT PLAZA
P.O. BOX 2260
FORT WORTH, TEXAS 76113
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 2/4/87 at 10:35am, and assigned re-
recording number(s). 15162

Sincerely yours,

Norita R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

FEB 4 1987 10-35 AM

ROLLING STOCK MORTGAGE AND SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

THIS ROLLING STOCK MORTGAGE AND SECURITY AGREEMENT is executed as of December 31, 1986, by ROBERT E. GLAZE("Debtor"), for the benefit of INTERFIRST BANK FORT WORTH, N.A., a national banking association ("Secured Party").

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Debtor hereby covenants and agrees with Secured Party as follows:

1. Certain Definitions. Unless otherwise defined herein, or the context hereof otherwise requires, each term defined in the UCC is used in this agreement with the same meaning; provided that if any definition given a term in Chapter 9 of the UCC conflicts with the definition given that term in any other chapter of the UCC, the Chapter 9 definition shall prevail. As used herein, the following terms have the meanings indicated:

Collateral has the meaning set forth in Paragraph 3.

Debtor Relief Law means the Bankruptcy Code of the United States of America and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief Laws from time to time in effect affecting the rights of creditors generally.

Default has the meaning set forth in Paragraph 6.

Highest Lawful Rate means the maximum rate of interest (or, if the context so requires, an amount calculated at such rate) which Secured Party is allowed to contract for, charge, take, reserve, or receive under applicable Law after taking into account, to the extent required by applicable Law, any and all relevant payments or charges under the Related Papers.

ICC means the Interstate Commerce Commission.

Laws means all applicable statutes, laws, ordinances, regulations, orders, writs, injunctions, or decrees of any state, commonwealth, nation, territory, possession, county, parish, municipality, or Tribunal.

Lien means any lien, mortgage, security interest, charge, or encumbrance of any kind, including, without limitation, the rights of a vendor, lessor, or similar party under any conditional sales agreement or other title retention agreement or lease substantially equivalent thereto, any production payment, and any other right of or arrangement with any creditor to have his claim satisfied out of any property or assets, or the proceeds therefrom, prior to the general creditors of the owner thereof.

Obligation means (a) the indebtedness evidenced by that certain promissory note (the "Glaze Note") dated of even date herewith, executed by Debtor and payable to the order of Secured Party in the original principal

amount of \$800,000, (b) all indebtedness, liabilities, and obligations of Debtor arising under this agreement, (c) interest accruing on, and reasonable attorneys' fees, court costs, and other costs of collection incurred in the collection or enforcement of, any of the indebtedness, liabilities, or obligations described in clauses (a) and (b) above, and (d) any and all renewals and extensions of, or amendments to, any of the indebtedness, liabilities, and obligations described in clauses (a) through (c) above.

Obligor means any person or entity obligated with respect to any of the Collateral, whether as an account debtor, obligor on an instrument, issuer of securities, or otherwise.

Permitted Liens means (a) the Security Interest and any other Liens in favor of Secured Party, (b) Liens for taxes not yet due and payable, and (c) mechanic's Liens and materialman's Liens for services or materials for which payment is not yet due.

Related Papers means (a) this agreement, (b) all present and future agreements, documents, and instruments now or hereafter evidencing any of the Obligation, or assuring or securing payment thereof, (c) all agreements, documents, and instruments now or hereafter executed in connection herewith, and (d) any and all future renewals and extensions or restatements of, or amendments or supplements to, all or any part of the foregoing.

RR Cars means the railroad cars described on Schedule I hereto.

Security Interest means the rolling stock mortgage and security interest granted and the pledge and assignment made under Paragraph 2.

Tribunal means any court or governmental department, commission, board, bureau, agency, or instrumentality of the United States or of any state, commonwealth, nation, territory, possession, county, parish, or municipality, whether now or hereafter constituted or existing.

UCC means the Uniform Commercial Code as enacted in the State of Texas or other applicable jurisdiction, as amended at the time in question

2. Security Interest. In order to secure the full and complete payment and performance of the Obligation when due, Debtor hereby grants to Secured Party a rolling stock mortgage and security interest in the Collateral and pledges and assigns the Collateral to Secured Party, all upon and subject to the terms and conditions of this agreement. Such Security Interest is granted and pledge and assignment are made as security only and shall not subject Secured Party to, or transfer or in any way affect or modify, any obligation of Debtor with respect to any of the Collateral or any transaction involving or giving rise thereto.

3. Collateral. As used herein, the term "Collateral" means the following items and types of property:

(a) All the railroad cars (the "RR Cars") described on Schedule I attached hereto and made a part hereof for all purposes.

(b) All present and future rights, titles, interests, and Liens Debtor may have or be or become entitled to under or by virtue of that certain Railroad Car Management Agreement (herein so called) dated March 21, 1983, between Debtor and Trinity Railcar Management Company, covering the RR Cars, including, but not limited to, all contract rights and rights to receive any revenues or income.

(c) The balance of every deposit account of Debtor held by InterFirst Bank Fort Worth, N.A.* and any other claim of Debtor against Secured Party, now or hereafter existing, whether liquidated or unliquidated.

(d) All present and future rights, titles, and interests Debtor may have or be or become entitled to under or by virtue of any and all lease agreements (the "Subject Leases") covering the RR Cars.

(e) Any and all revenues, income, lease payments, rentals, mileage credits, excess empty mileage credits, or other source of funds with respect to each RR Car.

(f) All present and future increases, profits, combinations, reclassifications, improvements, and products of, accessions, attachments, and other additions to, tools, parts, and equipment used in connection with, and substitutes and replacements for, all or part of the Collateral heretofore described.

(g) All present and future accounts, general intangibles, chattel paper, documents, instruments, cash and noncash proceeds, and other rights arising from or by virtue of, or from the voluntary or involuntary sale or other disposition of, or collections with respect to, or insurance proceeds payable with respect to, or proceeds payable by virtue of warranty or other claims against manufacturers of, or claims against any other person or entity with respect to, all or any part of the Collateral heretofore described in this subparagraph otherwise.

(h) All present and future security for the payment to Debtor of any of the Collateral heretofore described and goods which gave or will give rise to any of such Collateral or are evidenced, identified, or represented therein or thereby; provided that the description of Collateral contained in this Paragraph 3 shall not be deemed to permit any action prohibited by this agreement or by terms incorporated in this agreement.

*and successor institutions but not assigns



4. Representations and Warranties. Debtor represents and warrants to Secured Party that:

(a) Debtor possesses all requisite authority, power, licenses, permits, and franchises to conduct his business with respect to the Collateral and execute, deliver, and comply with the terms of the Related Papers, for which no approval or consent of any Tribunal or other person or entity is required which has not been obtained, and has not used or transacted business in connection with the RR Cars under any other corporate, assumed, or trade name in the five-year period preceding the date hereof.

(b) All financial statements of Debtor heretofore furnished to Secured Party fairly present the financial condition of Debtor as of the date thereof, and, except for transactions heretofore disclosed to Secured Party in writing and transactions contemplated by the Related Papers, there have been no material adverse changes in the financial condition of Debtor since the date of the most recent financial statement of Debtor furnished to Secured Party.

(c) The execution, delivery, and performance of and compliance with the terms of the Related Papers will not cause Debtor to be in violation of or default under any applicable Laws, or any material agreement, document, or instrument to which Debtor is a party or by which any of his assets may be bound.

(d) Except as previously disclosed to Secured Party, Debtor is not involved in, or aware of the threat of, any material litigation, which, if determined adversely to Debtor, could have a material and adverse effect on Debtor's financial condition, and there are no unpaid or outstanding judgments against Debtor.

(e) All federal, state, foreign, and other tax returns of Debtor required to be filed have been filed, and all federal, state, foreign, and other taxes imposed upon Debtor which are due and payable have been paid, other than taxes being contested in good faith.

(f) The proceeds of and loans which are part of the Obligation have not and will not be used directly or indirectly for the purpose of purchasing or carrying, or for the purpose of extending credit to others for the purpose of purchasing or carrying, any "margin stock" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System, as amended.

(g) Debtor's residence is in the county where Debtor is entitled to receive notices hereunder; the present and foreseeable location of Debtor's books and records concerning any of the Collateral that is accounts is as set forth on Schedule II hereto, and, except as noted on Schedule II hereto, all such books and records are in Debtor's possession.

(h) To the best of Debtor's knowledge, all Collateral that is accounts, chattel paper, instruments, or general intangibles is free from any claim for credit, deduction, or allowance of an Obligor and free from any defense, dispute, setoff, or counterclaim, and there is no extension or indulgence with respect thereto.

(i) To the best of Debtor's knowledge, all Collateral that is an assigned contract or assigned lease is in full force and effect; there have been no renewals or extensions of, or amendments, modifications, or supplements to, any thereof about which Secured Party has not been advised in writing; and no default has occurred and is continuing under any such assigned contract or assigned lease.

(j) Debtor owns all presently existing Collateral, and will acquire all hereafter-acquired Collateral, free and clear of all Liens except Permitted Liens.

The delivery at any time by Debtor to Secured Party of Collateral or of additional specific descriptions of certain Collateral shall constitute a representation and warranty by Debtor to Secured Party hereunder that the representations and warranties of this Paragraph 5 are true and correct with respect to each item of such Collateral

5. Certain Covenants. Until the Obligation is paid and performed in full, unless Debtor receives a prior written notification from Secured Party that Secured Party does not object to a deviation, Debtor covenants and agrees with Secured Party that Debtor will:

(a) Maintain, at the place where Debtor is entitled to receive notices hereunder, a current record of where all Collateral is located (except for movement of the RR Cars in the ordinary course of business), permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such records, and furnish to Secured Party, at such intervals as Secured Party may request, such documents, lists, descriptions, certificates, and other information as may be necessary or proper to keep Secured Party informed with respect to the identity, location (except for movement of the RR Cars in the ordinary course of business), status, condition, and value of the Collateral.

(b) Fully perform all of Debtor's duties under and in connection with each transaction to which the Collateral, or any part thereof, relates, so that the amounts thereof shall actually become payable in their entirety.

(c) Promptly notify Secured Party of any change in any fact or circumstances represented or warranted by Debtor with respect to any of the Collateral or Obligation.

(d) Promptly notify Secured Party of any material claim, action, or proceeding affecting title to all or any of the Collateral or the Security Interest and, at the request of Secured Party, appear in and defend, at Debtor's expense, any such action or proceeding.

(e) Hold in trust for Secured Party all Collateral that is chattel paper, instruments, or documents at any time received by Debtor and, upon request of Secured Party, promptly deliver same to Secured Party unless Secured Party at its option (which may be evidenced only by a writing signed by Secured Party stating that Secured Party elects to permit Debtor to so retain) permits Debtor to retain the same, but any chattel paper, instruments, or documents so retained shall be marked to state that they are assigned to Secured Party (but the failure of same to be so marked shall not impair the Security Interest thereon).

(f) Not sell, lease, or otherwise dispose of, or permit the sale, lease, or disposition of, any Collateral except for leases in the ordinary course of business.

(g) Not create, incur, or suffer or permit to be created or incurred or to exist any Lien upon or against any of the Collateral, except for Permitted Liens.

(h) Keep the Collateral that is equipment in good repair, working order, and condition and promptly make all necessary repairs or replacements to that end.

(i) Pay, before delinquent, all taxes lawfully levied against any of the Collateral.

(j) Keep the Collateral fully insured in such amounts, against such risks, and with such insurers as may be approved by Secured Party, with loss payable to Secured Party (under a standard mortgagee clause) as its interest may appear, and at least once in each twelve-month period (and more frequently at the request of Secured Party) furnish to Secured Party satisfactory proof of the maintenance of such insurance and the payment of premiums thereon, and, if requested by Secured Party, deposit with Secured Party the policies or certificates evidencing such insurance.

(k) At Debtor's expense and Secured Party's request, before or after a Default, file or cause to be filed such applications and take such other actions as Secured Party may reasonably request to obtain the consent or approval of any Tribunal (including, without limitation, the ICC) to the Secured Party's rights hereunder, including, without limitation, the right to sell all the Collateral upon a Default without additional consent or approval from such Tribunal (and, because Debtor agrees that Secured Party's remedies at law for failure of Debtor to comply with this provision would be inadequate and that such failure would not be adequately compensable in damages, Debtor

agrees that its covenants in this provision may be specifically enforced), but the delay or failure of any Tribunal to give such consent or approval shall not constitute a default hereunder.

(l) From time to time promptly execute and deliver to Secured Party all such other assignments, certificates, supplemental documents, and financing statements, and do all other acts or things as Secured Party may reasonably request in order to more fully create, evidence, perfect, continue, and preserve the priority of the Security Interest.

(m) If certificates of title are issued or outstanding with respect to any of the Collateral, cause the Security Interest to be properly noted thereon.

(n) Not use any of the Collateral, or enter any contract or lease which would permit the same to be used, for any unlawful purpose or in any manner inconsistent with the provisions or requirements of any policy of insurance thereon.

(o) Not modify or substitute, or permit the modification or substitution of, any contract to which any of the Collateral which is accounts relates except in the ordinary course of business.

(p) Not relocate the place where Debtor's books and records related to accounts are kept, or otherwise relocate any of the other Collateral to a county, parish, or state other than movements of the RR cars and as otherwise indicated above unless prior thereto Debtor (i) gives Secured Party 30 days prior written notice of such proposed relocation (such notice to include, without limitation, the name of the county or parish and state into which such relocation is to be made) and (ii) (unless the relocation is to a jurisdiction in which existing financing statements or other required filings have previously been made to perfect the Security Interest in such Collateral) executes and delivers all such additional documents and performs all additional acts as Secured Party in its reasonable discretion may request in order to continue or maintain the existence and priority of the Security Interest in such Collateral.

6. Default. The term "Default," as used herein, means the occurrence of any one or more of the following events (including the passage of time, if any, specified therefor):

(a) The failure or refusal of Debtor to pay principal of or interest on the Obligation, or any part thereof, or to pay any fees on or in respect to all or any part of the Obligation, as the same become due in accordance with the terms of the Related Papers, and such failure continues for a period of fifteen days after the due date.

(b) The failure or refusal of Debtor to punctually and properly perform, observe, and comply with any covenant, agreement, or condition contained in any of the Related Papers (other than covenants to pay the Obligation) and such failure or refusal continues for a period of 20 days after Debtor has, or with the exercise of reasonable investigation, should have, notice thereof, provided, however, if such failure is not susceptible of cure within such 20-day period, and if Debtor promptly commences and continues to pursue curative actions with diligence, Secured Party shall extend such period for an additional time not to exceed a total curative period after notice of 45 days.

(c) Debtor or Ernest D. Tucker shall become insolvent, fail to pay his debts generally as they become due, voluntarily seek, consent to, or acquiesce in the benefit or benefits of any Debtor Relief Law, or become a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law, other than as a creditor or claimant, that could suspend or otherwise adversely affect the rights of Secured Party granted in the Related Papers (unless, in the event such proceeding is involuntary, the petition instituting same is dismissed within 90 days of the filing of same).

(d) The failure to have discharged within a period of 30 days after the commencement thereof any attachment, sequestration, or similar proceeding against any of the assets of Debtor.

(e) Debtor fails to pay any money judgment against it at least ten days prior to the date on which any of the assets of Debtor may be lawfully sold to satisfy such judgment.

(f) The discovery by Secured Party that any statement, representation, or warranty in the Related Papers or in any writing ever delivered to Secured Party pursuant to the Related Papers is false, misleading, or erroneous in any material respect when made.

(g) The occurrence of a Default under the Accommodation Agreement of even date herewith, between Secured Party and Springmist Partners, a Texas partnership.

7. Remedies. Should a Default occur and be continuing, Secured Party may, at its election, exercise any and all rights and remedies available to a secured party under a mortgage filed with the ICC in connection with the RR Cars, and, where appropriate, all rights of a secured party under the UCC, in addition to any and all other rights and remedies afforded by the Related Papers, at law, in equity, or otherwise, including, without limitation, (a) declaring the entire unpaid balance of the Obligation, or any part thereof, immediately due and payable, whereupon it shall be due and payable (provided that, upon the occurrence of a Default under Paragraph 6(c), the entire Obligation shall automatically become due and payable without notice or other action of any kind whatsoever); (b) terminate its commitment to lend

under and of the Related Papers; (c) reduce any claim to judgment; (d) exercise the rights of offset or banker's Lien against the interest of Debtor in and to every account and other property of Debtor which are in possession of Secured Party to the extent of the full amount of the Obligation; (e) foreclose the Security Interest and any other Liens Secured Party may have or otherwise realize upon any and all of the rights Secured Party may have in and to the Collateral, or any part thereof; (f) requiring Debtor to assemble all or part of the Collateral other than the RR Cars and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to Debtor and Secured Party; (g) surrendering any policies of insurance on all or part of the Collateral and receiving and applying the unearned premiums as a credit on the Obligation; (h) applying by appropriate judicial proceedings for appointment of a receiver for all or part of the Collateral (and Debtor hereby consents to any such appointment); (i) applying to the Obligation any cash held by Secured Party under this agreement; and (j) bringing suit or other proceedings before any Tribunal either for specific performance of any covenant or condition contained in any of the Related Papers or in aid of the exercise of any right granted to Secured Party in any of the Related Papers.

7.1 Notice. Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Debtor and to any other Person entitled to notice under the UCC or the appropriate regulations issued by the ICC. It is agreed that notice sent or given not less than five calendar days prior to the taking of the action to which the notice relates is reasonable notification and notice for the purposes of this subparagraph.

7.2 Application of Proceeds. Secured Party shall apply the proceeds or any sale or other disposition of the Collateral under this Paragraph 7 in the following order: First, to the payment of all its expenses incurred in retaking, holding, and preparing any of the Collateral for sale(s) or other disposition, in arranging for such sale(s) or other disposition, and in actually selling or disposing of the same (all of which are part of the Obligation); second, toward repayment of amounts expended by Secured Party under Paragraph 8; third, toward payment of the balance of the Obligation in such order and manner as Secured Party, in its discretion, may deem advisable. Any surplus remaining shall be delivered to Debtor or as a court of competent jurisdiction may direct. If the proceeds are insufficient to pay the Obligation in full, Debtor shall remain liable for any deficiency.

8. Other Rights of Secured Party.

(a) Performance. In the event Debtor shall fail to keep the Collateral in good repair, working order, and condition as required in this agreement, or to pay when due all taxes on any of the Collateral, or to preserve the priority of the Security Interest in any of the Collateral, or to

keep the Collateral insured as required by this agreement, or otherwise fail to perform any of its obligations under the Related Papers with respect to the Collateral, then Secured Party may, upon Default, at its option, but without being required to do so, make such repairs, pay such taxes, prosecute or defend any suits in relation to the Collateral, or insure and keep insured the Collateral in any amount deemed appropriate by Secured Party, or take all other action which Debtor is required, but has failed or refused, to take under the Related Papers. Any sum which may be expended or paid by Secured Party under this subparagraph (including, without limitation, court costs and reasonable attorneys' fees) shall bear interest from the dates of expenditure or payment at the lesser of (i) the Highest Lawful Rate or (ii) the sum of 3% plus the rate of interest payable on the Note prior to default, until paid and, together with such interest, shall be payable by Debtor to Secured Party upon demand and shall be part of the Obligation.

(b) Collection. Upon the occurrence and continuance of a Default and upon notice from Secured Party, each Obligor with respect to any payments on any of the Collateral (including, without limitation, all lease payments and rentals in connection with the Subject Leases and the Railroad Car Management Agreement, and any insurance proceeds payable by reason of loss or damage to any of the Collateral) is hereby authorized and directed by Debtor to make payment directly to Secured Party, regardless of whether Debtor was previously making collections thereon. Until such notice is given, Debtor is authorized to retain and expend all payments made on Collateral. Secured Party shall have the right in its own name or in the name of Debtor after a Default to compromise or extend time of payment with respect to all or any portion of the Collateral for such amounts and upon such terms as Secured Party may determine; to demand, collect, receive, receipt for, sue for, compound, and give acquittances for any and all amounts due or to become due with respect to Collateral; to take control of cash and other proceeds of any Collateral; to endorse the name of Debtor on any notes, acceptances, checks, drafts, money orders, or other evidences of payment on Collateral that may come into the possession of Secured Party; to sign the name of Debtor on any invoice or bill of lading relating to any Collateral, on any drafts against Obligors or other persons or entities making payment with respect to Collateral, on assignments and verifications of accounts or other Collateral and on notices to Obligors making payment with respect to Collateral; to send requests for verification of obligations to any Obligor; and to do all other acts and things necessary to carry out the intent of this agreement. If any Obligor fails or refuses to make payment on any Collateral when due, Secured Party is authorized, in its sole discretion, either in its own name or in the name of Debtor, to take such action as Secured Party shall deem appropriate for the collection of any amounts owed with respect to Collateral or upon which a delinquency exists. Regardless of any other provision hereof, however, Secured Party shall never be liable for its failure to collect, or for its failure to exercise diligence in the collection of, any amounts owed with respect to Collateral, nor shall it be under any duty whatever to anyone except Debtor to account for funds that it shall actually receive hereunder. The receipt of Secured Party to any

Obligor shall be a full and complete release, discharge, and acquittance to such Obligor, to the extent of any amount so paid to Secured Party. The rights granted Secured Party under this subparagraph may be exercised only at any time after a Default has occurred and is continuing.

(c) Use and Operation of Collateral. Should any Collateral come into the possession of Secured Party, Secured Party may, during the continuance of a Default, use or operate such Collateral for the purpose of preserving it or its value pursuant to the order of a court of appropriate jurisdiction or in accordance with any other rights held by Secured Party in respect of such Collateral. Debtor covenants to promptly reimburse and pay to Secured Party, at Secured Party's request, the amount of all reasonable expenses (including, without limitation, the cost of any insurance and payment of taxes or other charges) incurred by Secured Party in connection with its custody and preservation of Collateral, and all such expenses, costs, taxes, and other charges shall bear interest at the lesser of (i) the Highest Lawful Rate or (ii) the sum of 3% plus the rate of interest payable on the Note prior to default, until repaid and, together with such interest, shall be payable by Debtor to Secured Party upon demand and shall become part of the Obligation. However, the risk of accidental loss or damage to, or diminution in value of, Collateral is on Debtor, and Secured Party shall have no liability whatever for failure to obtain or maintain insurance, nor to determine whether any insurance ever in force is adequate as to amount or as to the risks insured. With respect to Collateral that is in the possession of Secured Party, Secured Party shall have no duty to fix or preserve rights against prior parties to such Collateral and shall never be liable for any failure to use diligence to collect any amount payable in respect of such Collateral, but shall be liable only to account to Debtor for what it may actually collect or receive thereon.

(d) Indemnification. Debtor hereby assumes all liability for the Collateral, for the Security Interest, and for any use, possession, maintenance, and management of, all or any of the Collateral, including, without limitation, any taxes arising as a result of, or in connection with, the transactions contemplated herein, and agrees to assume liability for, and to indemnify and hold Secured Party harmless from and against, any and all claims, causes of action, or liability, for injuries to or deaths of Persons and damage to property, howsoever arising from or incident to such use, possession, maintenance, and management, whether such Persons be agents or employees of Debtor or of third parties, or such damage be to property of Debtor or of others, except for the gross negligence or willful misconduct of Secured Party or its agents. Debtor agrees to indemnify, save, and hold Secured Party harmless from and against, and covenants to defend Secured Party against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses, including, without limitation, court costs and reasonable attorneys' fees, howsoever arising or incurred because of, incident to, or with respect to Collateral or any use, possession, maintenance, or management thereof, except as caused by Secured Party's gross negligence or willful misconduct.

9. Miscellaneous.

(a) Term. Upon full and final payment and performance of the Obligation, this agreement shall thereafter terminate; provided that no Obligor, if any, on any of the Collateral shall ever be obligated to make inquiry as to the termination of this agreement, but shall be fully protected in making payment directly to Secured Party.

(b) Actions Not Releases. The Security Interest and Debtor's obligations and Secured Party's rights hereunder shall not be released, diminished, impaired, or adversely affected by the occurrence of any one or more of the following events: (i) The taking or accepting of any other security or assurance for any or all of the Obligation; (ii) any release, surrender, exchange, subordination, or loss of any security or assurance at any time existing in connection with any or all of the Obligation; (iii) the modification of, amendment to, or waiver of compliance with any terms of any of the other Related Papers without the notification or consent of Debtor, except as required therein (the right to such notification and consent being herein specifically waived by Debtor); (iv) the insolvency, bankruptcy, or lack of corporate or trust power of any party at any time liable for the payment of any or all of the Obligation, whether now existing or hereafter occurring; (v) any renewal, extension, or rearrangement of the payment of any or all of the Obligation, either with or without notice to or consent of Debtor, or any adjustment, indulgence, forbearance, or compromise that may be granted or given by Secured Party to Debtor; (vi) any neglect, delay, omission, failure, or refusal of Secured Party to take or prosecute any action in connection with any other agreement, document, guaranty, or instrument evidencing, securing, or assuring the payment of all or any of the Obligation; (vii) any failure of Secured Party to notify Debtor of any renewal, extension, or assignment of the Obligation or any part thereof, or the release of any security, or of any other action taken or refrained from being taken by Secured Party against Debtor or any new agreement between Secured Party and Debtor, it being understood that Secured Party shall not be required to give Debtor any notice of any kind under any circumstances whatsoever with respect to or in connection with the Obligation, including, without limitation, notice of acceptance of this security agreement or any Collateral ever delivered to or for the account of Secured Party hereunder; (viii) the illegality, invalidity, or unenforceability of all or any part of the Obligation against any party obligated with respect thereto by reason of the fact that the Obligation, or the interest paid or payable with respect thereto, exceeds the amount permitted by Law, the act of creating the Obligation, or any part thereof, is ultra vires, or the officers, partners, or trustees creating same acted in excess of their authority, or for any other reason; or (ix) if any payment by any party obligated with respect thereto is held to constitute a preference under applicable Laws or for any other reason Secured Party is required to refund such payment or pay the amount thereof to someone else.

(c) Waivers. Except to the extent expressly otherwise provided herein or in other Related Papers, Debtor waives (i) any right to require Secured Party to proceed against any other Person, to exhaust its rights in Collateral, or to pursue any other right which Secured Party may have; (ii) with respect to the Obligation, presentment, protest, and notice of protest; and (iii) all rights of marshaling in respect of any and all of the Collateral.

(d) Financing Statement. Secured Party shall be entitled at any time to file this agreement or a carbon, photographic, or other reproduction of this agreement, as a financing statement, but the failure of Secured Party to do so shall not impair the validity or enforceability of this agreement.

(e) Captions; Arrangements; References. The headings, captions, and arrangements used herein are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify, or modify the terms hereof nor affect the meaning thereof. Whenever herein the singular number is used, the same shall include the plural where appropriate, and vice versa; and words of any gender herein shall include each other gender where appropriate. The words "herein," "hereof," and "hereunder," and other words of similar import refer to this agreement as a whole and not to any particular part or subdivision hereof. Reference herein to "Paragraphs" and "Subparagraphs" are to paragraphs and subparagraphs of this agreement.

(f) Communications. Unless specifically otherwise provided, whenever this agreement requires or permits any consent, approval, notice, request, or demand from one party to another, such communication must be in writing (which may be by cable or tested Telex) to be effective and shall be deemed to have been given on the day actually delivered or, if mailed, on the third banking business day in Texas after it is enclosed in an envelope, addressed to the party to be notified at the address stated below, properly stamped, sealed, and deposited in the appropriate official postal service. Until changed by written notice pursuant hereto, the address and Telex number for each party for purposes hereof is as follows

Robert E. Glaze
2001 Bryan Tower
Suite 3131
Dallas, Texas 75201

InterFirst Bank Fort Worth, N.A.
One Burnett Plaza
500 West 7th Street
Fort Worth, Texas 76102
Attention: Lezlie Fowlkes
Vice President

(g) Form and Number of Documents. Each agreement, document, instrument, or other writing to be furnished to Secured Party under any provision of this agreement must be in form and substance and in such number of counterparts as may be satisfactory to Secured Party and its counsel.

(h) Exceptions to Covenants. Debtor shall not be deemed to be permitted to take any action or fail to take any action which is permitted as an

exception to any of the covenants contained herein if such action or omission would result in the breach of any other covenant contained herein.

(i) Survival. All covenants, agreements, undertakings, representations, and warranties may herein shall survive all closings hereunder and, except as otherwise indicated, shall not be affected by any investigation made by any party.

(j) Governing Law. This agreement is being executed and delivered, and is intended to be performed, in the State of Texas, and the Laws of such state and of the United States of America shall govern the rights and duties of the parties hereto and the validity, construction, enforcement, and interpretation hereof.

(k) Maximum Interest Rate. Regardless of any provision contained in any of the Related Papers, Secured Party shall never be entitled to receive, collect, or apply, as interest on the Obligation, any amount in excess of the Highest Lawful Rate, and, in the event Secured Party ever receives, collects, or applies as interest, any such excess, such amount which would be excessive interest shall be deemed a partial prepayment of principal and treated hereunder as such; and, if the principal of the Obligation is paid in full, any remaining excess shall forthwith be paid to Debtor. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Highest Lawful Rate, Debtor and Secured Party shall, to the maximum extent permitted under applicable Law (a) characterize any nonprincipal payment as an expense, fee, or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, and (c) "spread" the total amount of interest throughout the entire contemplated term of the Obligation so that the interest rate is uniform throughout the entire term of the Obligation; provided that, if the Obligation is paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the Highest Lawful Rate, Secured Party shall not be subject to any penalties provided by any Laws for contracting for, charging, taking, reserving, or receiving interest in excess of the Highest Lawful Rate. To the extent the Laws of the State of Texas are applicable for purposes of determining the "Highest Lawful Rate," such term shall mean the "indicated rate ceiling" from time to time in effect under Article 1.04, Title 79, Revised Civil Statutes of Texas, as amended. Pursuant to Article 15.10(b) of Chapter 15, Subtitle 79, Revised Civil Statutes of Texas, 1925, as amended, Debtor agrees that such Chapter 15 shall not govern or in any manner apply to the Obligation.

(l) Invalid Provisions. If any provision hereof is held to be illegal, invalid, or unenforceable under present or future Laws effective during the term hereof, such provision shall be fully severable; this agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the

illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part hereof a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

(m) Entirety and Amendments. This instrument and the Related Papers embody the entire agreement between the parties, supersede all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended only by an instrument in writing executed jointly by an authorized officer of each party hereto and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof.

(n) Amendments. This instrument may be amended only by an instrument in writing executed jointly by Debtor and Secured Party, and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof.

(o) Multiple Counterparts. This agreement has been executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement; but, in making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart.

(p) Parties Bound; Assignment. This agreement shall be binding on Debtor and Debtor's heirs, legal representatives, successors, and assigns shall inure to the benefit of Secured Party and Secured Party's successors and assigns. Debtor may not, without the prior written consent of Secured Party, assign any rights, duties, or obligations hereunder. In the event of an assignment of all or part of the Obligation, the Security Interest and other rights and benefits hereunder, to the extent applicable to the part of the Obligation so assigned, may be transferred therewith.

EXECUTED as of the day and year first herein set forth.



ROBERT E. GLAZE

The undersigned acknowledges that she is the spouse of Debtor; that she consents to the execution and delivery of this agreement, and to the creation of the Security Interest hereunder; and that she subjects all her right, title, and interest (if any) in and to the Collateral to the Security Interest and to each and every other provision and term of this agreement, the same as if she had executed this agreement as Debtor.



GLAZE

SCHEDULE I

SPECIFIC DESCRIPTION OF RR CARS

20, 23,500 gallon nominal capacity tank cars, DOT111A100W3, exterior coiled and insulated; 100-ton roller bearing trucks bearing the following numbers:

RTMX 12529
RTMX 12530
RTMX 12531
RTMX 12532
RTMX 12533
RTMX 12534
RTMX 12535
RTMX 12536
RTMX 12537
RTMX 12632
RTMX 12633
RTMX 12634
RTMX 12635
RTMX 12636
RTMX 12637
RTMX 12666
RTMX 12667
RTMX 12668
RTMX 12669
RTMX 12670

SCHEDULE II

LOCATION WITH RESPECT TO COLLATERAL

The failure of any of the Collateral to be located as represented below shall not impair or limit the Security Interest therein.

A. LOCATION OF BOOKS AND RECORDS AS TO ACCOUNTS: