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9-121A033

APR 30 1979

Date

Fee \$ 100.00

1500 Alamo National Building

San Antonio, Texas 78205

(512) 226-4211

ICS Washington, D. C.

INTERSTATE COMMERCE COMMISSION

April 24, 1979

CERTIFIED MAIL #315786
RETURN RECEIPT REQUESTED

Secretary of Interstate
Commerce Commission
Washington, D. C. 20423

INTERSTATE
COMMERCE COMMISSION
RECEIVED

10328 / V
RECORDATION NO. 10328

MAY 1 1979 - 1 40 PM

INTERSTATE COMMERCE COMMISSION

APR 27 1979

ADMINISTRATIVE SERVICES
UNIT

RE: Filing, pursuant to 49 U.S.C.A.,
\$20c, of documents relating to
railroad cars

RECEIVED
MAY 1 1 22 PM '79
I.C.C.
FEE OPERATION

Dear Sir:

Pursuant to 49 U.S.C.A., §20c, and in accordance with
49 C.F.R., §1116, enclosed for filing and recordation are
the following:

1. Original executed Conditional Sale and Security Agreement dated January 9, 1979, between Greyhound Leasing & Financial Corporation, a Delaware corporation, as Seller, and RailTex, Inc., a Texas corporation, as Buyer, together with two certified true copies thereof.
2. Original executed Chattel Mortgage and Security Agreement dated January 9, 1979, between Greyhound, as Secured Party, and RailTex, as Debtor, together with two certified true copies thereof.
3. Our check in the amount of \$100.00 in payment of your recordation fees.

Matthews, Nowlin, Macfarlane & Barrett

Secretary of Interstate
Commerce Commission
April 24, 1979
Page two

The address of Greyhound Leasing & Financial Corporation, Seller and Secured Party, is Greyhound Tower, Phoenix, Arizona, 85077, and the address of RailTex, Inc., as Buyer and Debtor, is 4901 Broadway, Suite 221, San Antonio, Texas, 78209.

The Conditional Sale and Security Agreement relate to 25 new rapid discharge, self-cleaning bottom dump rail cars manufactured by Ortner Freight Car Company, with AAR mechanical designation No. HTS, AAR car-type code K340, each of which is marked: Greyhound Leasing & Financial Corporation, Phoenix, Arizona, Owner and Conditional Seller, bearing Serial Nos. TRAX (WRRRC) 1025 through 1049, inclusive.

The Chattel Mortgage and Security Agreement relate to 10 used, open top hopper rail cars having AAR mechanical designation HT, AAR car-type code H150, each of which is marked: Greyhound Leasing & Financial Corporation, Phoenix, Arizona, Secured Party, bearing Serial Nos. TRAX 100 through 109, inclusive.

After filing and stamping, please return the enclosed originals to this law firm.

Should you have any questions or need further information with respect to this matter, please contact the undersigned by collect telephone call at (512) 226-4211.

Thanking you for your cooperation, we are

Very truly yours,

MATTHEWS, NOWLIN, MACFARLANE & BARRETT

By Lionel R. Fuller
Lionel R. Fuller

LRF/jcd
Enclosures
cc: Mr. Bruce Flohr

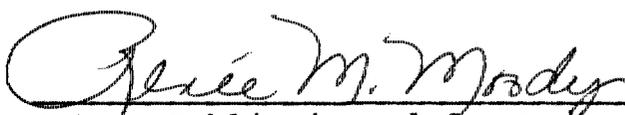
10323
RECORDATION NO. _____ FILED IN
MAY 1 1979 - 1 30 PM
INTERSTATE COMMERCE COMMISSION

CERTIFICATE OF NOTARY PUBLIC
PURSUANT TO 49 C.F.R., §1116.3(b)

STATE OF TEXAS X
 X
COUNTY OF BEXAR X

I, the undersigned Notary Public in and for Bexar County, Texas, do hereby certify that I have compared the attached copy of a Conditional Sale and Security Agreement dated January 9, 1979, executed by Greyhound Leasing & Financial Corporation, a Delaware corporation, as Seller, and RailTex, Inc., a Texas corporation, as Buyer, with the original document and that it is a true and correct copy thereof in all respects.

Dated: April 23, 1979.



Notary Public in and for Bexar County,
Texas

My Commission Expires June 1, 1980.

CONDITIONAL SALE AND SECURITY AGREEMENT

THIS CONDITIONAL SALE AND SECURITY AGREEMENT ("Agreement") entered into as of the 9th day of January, 1979, between GREYHOUND LEASING & FINANCIAL CORPORATION, a Delaware corporation ("Greyhound") and RAILTEX, INC. a Texas corporation, ("Railtex").

W I T N E S S E T H:

1. SALE OF EQUIPMENT

In consideration of the covenants herein contained, Greyhound agrees to sell and Railtex agrees to buy a total of twenty-five (25) railroad cars ("Cars") more particularly described and listed in the Supplements, which are or are to be attached hereto and made a part hereof, on the terms and conditions hereinafter stated.

2. PRICE

Railtex agrees to pay to Greyhound either a Cash Sale Price or a Time Sale Price in the amounts and at the times indicated on each Supplement.

All installments of the Time Sale Price shall be payable to Greyhound in lawful money of the United States of America at its offices at the Greyhound Tower, Phoenix, Arizona 85077, or as otherwise directed. Except as provided in paragraph 5(b) hereof, Railtex shall not be entitled to prepay any and/or all of the installments of the Time Sale Price. Any installment of the Time Sale Price or portion thereof and any other payment due Greyhound hereunder, which shall remain unpaid after their respective due dates, shall bear interest at the rate of the greater of ten percent (10%) per annum or five (5) percentage points in excess of Prime (as hereinafter defined), but in no event in excess of the maximum rate permissible under applicable usury laws, such interest to be computed from the respective due dates of such unpaid installment and/or other payments due Greyhound hereunder until paid. As used herein, the term "Prime", for any calendar month of the term hereof, shall mean the base rate of interest in effect from time to time which Citibank, N.A., charges its responsible and substantial corporate customers on ninety (90) day unsecured commercial loans.

3. SECURITY AND TITLE

To secure payment of the Time Sale Price and performance of all Railtex's obligations hereunder, Greyhound has reserved unto itself a security interest (the "Security Interest") in the Cars, replacement parts thereto, if any, and additions and accessions to said Cars (unless such additions and accessions can be detached or removed from the Cars and each of the Cars restored to substantially the same condition as it was at the time Railtex took possession, loss by fire or other hazard and by ordinary wear and tear excepted), and Railtex hereby grants the same unto Greyhound.

As used herein the term "Security Interest" shall mean a first and senior lien on the Cars and in all other respects have the same meaning as that accorded to such term by the Uniform Commercial Code of the State of Texas as in force and effect on the date of this Agreement. Railtex shall execute and deliver to Greyhound all documentation that is, in Greyhound's opinion, necessary in order to perfect and secure Greyhound's Security Interest in the Cars. If Greyhound agrees to pay the Time Sales Price, legal title to the Cars shall be held

and retained by Greyhound until Railtex has paid the full Time Sales Price for the Cars and has performed its covenants, duties and obligations under this Agreement, all in accordance with the terms and conditions herein contained.

4. ASSIGNMENT OF PURCHASE AGREEMENT, DELIVERY, ACCEPTANCE OF THE CARS

4.(a) Greyhound's obligations hereunder shall be limited to the purchase of the Cars from the Manufacturer having a total cost, inclusive of freight charges and any and all taxes, not to exceed Eight Hundred Thousand Dollars (\$800,000.00) ("Cost") on or before June 30, 1979.

4.(b) Railtex covenants, represents and warrants to Greyhound that (i) it has entered into a purchase agreement which provides for the sale and delivery of the Cars in exchange for the consideration which does not exceed the Cost ("Purchase Agreement"), (ii) it has fully and completely performed each and every obligation imposed on the buyer under the Purchase Agreement on the date such performance was due, (iii) the Purchase Agreement is valid and in full force and effect in accordance with its terms, no default has occurred thereunder and it has not been amended, altered or assigned, (iv) it will assign to Greyhound its rights (not its obligations other than the payment of the purchase price thereunder at a price not to exceed the Cost hereunder) under the Purchase Agreement, enabling Greyhound to purchase the Cars directly from the Manufacturer for the purpose of selling the Cars to Railtex, by instrument in form and content satisfactory to counsel for Greyhound, and (v) it will not alter, amend, modify or assign the Purchase Agreement without the prior written consent of Greyhound.

4.(c) On tender of delivery of the Cars by the Manufacturer thereof, Railtex will forthwith cause the Cars to be inspected by an authorized representative of Railtex and, if such inspection reveals that the Cars conform (in accordance with Section 2-106 of the Uniform Commercial Code) to what were ordered under the Purchase Agreement, are in good order and are ready for service, Railtex will cause its representative to execute and deliver to Greyhound the Certificate of Inspection and Acceptance which shall be in the form attached as Exhibit A hereto, which by this reference is incorporated herein as if set forth in its entirety. Execution by Railtex of the Certificate of Inspection and Acceptance shall be deemed to be delivery to and acceptance by Railtex of the Cars and the Cars described in the Certificate of Inspection and Acceptance shall be subject immediately thereafter to all the terms and conditions of this Agreement. The date on which the Certificate of Inspection and Acceptance is executed shall be the "Delivery Date".

4.(d) The Cars shall be delivered by or on behalf of Greyhound and accepted by Railtex on or before June 30, 1979, but Greyhound shall not be liable for any damages to Railtex for any delay in or a failure to make delivery of the Cars; in no event shall Greyhound deliver the Cars to Railtex if they are not delivered to Greyhound by the Manufacturer thereof on or before June 30, 1979.

5. TERM

5.(a) The term of this Agreement, if the Cars are to be purchased by the payment of the Time Sale Price shall commence on the Delivery Date of the first Car and shall terminate one hundred twenty (120) months from the Delivery Date of the last Car ("Term").

5.(b) At any time, commencing after the thirty-sixth (36th) month from the Delivery Date of a Car, Railtex shall have the option of terminating this Agreement as to said Car, provided that:

(i) Railtex is not in default under the Agreement between the date it exercises the option to terminate and the date of termination under this paragraph 5(b); and

(ii) Railtex has given Greyhound at least six (6) months but not more than twelve (12) months unequivocal and irrevocable prior written notice of Railtex's exercise of the option to terminate under this paragraph 5(b); and

(iii) At the date of termination under this paragraph 5(b), Railtex shall pay to Greyhound one hundred four percent (104%) of the Stipulated Loss Value (as defined in Schedule B to the appropriate Supplement attached hereto and made a part hereof), in effect at the time of such termination, of the Car(s) so terminated.

6. COMMITMENT FEE, AND NON-UTILIZATION FEE

As consideration for Greyhound's commitment to purchase the Cars and to sell them to Railtex hereunder through June 30, 1979, Railtex shall pay to Greyhound a Commitment Fee of one-half of one percent (0.5%) per annum on the outstanding and non-utilized portion of the full commitment amount of Eight Hundred Thousand Dollars (\$800,000.00) calculated from the date hereof until delivery of the Cars, payable quarterly in arrears. No commitment fee shall be charged if takedown occurs within 30 days from the date hereof. In addition on July 1, 1979, Railtex agrees to pay Greyhound a Non-Utilization Fee of two percent (2%) of the outstanding and non-utilized portion of the full commitment amount of \$800,000.00 as of June 30, 1979. The Commitment Fee and Non-Utilization Fee shall be nonrefundable to Railtex, shall be held and retained by Greyhound as its sole property and shall not be applied to any installments due under this Agreement. If Railtex fails or refuses to pay the Commitment Fee and/or Non-Utilization Fee when due and such failure or refusal to pay continues for five (5) days subsequent to any such due date, Greyhound shall have the option to terminate all its obligations and commitments hereunder; provided, however, such termination of Greyhound's obligations to Railtex hereunder shall not relieve Railtex of its obligations to Greyhound.

7. PAYMENTS

7.(a) All payments to be made by Railtex hereunder will be free of expense to Greyhound with respect to the amount of any taxes (other than any tax measured by net income payable by Greyhound to any state or political subdivision thereof or to the United States under Section 11 or Section 1201 of the IRC in consequence of the receipt of payments provided for herein), license fees, assessments, charges, fines, penalties, property, excise or other taxes currently or hereafter levied or imposed by any state, local, federal or foreign authority (all such expenses, taxes, license fees, assessments, charges, fines, penalties, property or other taxes being hereinafter referred to as "Impositions") upon or in connection with or measured by this Agreement or any sale, installment payment, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Impositions Railtex assumes and agrees to pay on demand in addition to the other payments to be made by it provided for herein. Railtex's obligation to pay Impositions shall likewise include the obligation to pay any increase to Greyhound in state, local, federal or foreign income tax as a result of inclusion in income of Greyhound of any amount required by this paragraph to be paid to or for Greyhound. Railtex will also pay promptly all Impositions which may be imposed upon the Cars or for the use or operation thereof or on the earnings arising therefrom (except as provided above) or on Greyhound solely by reason of the ownership thereof and will keep at all times all and every part of the Cars free and clear of all Impositions which might in any way affect the title of Greyhound to such Cars or result in a lien upon the Cars. In the event that during the continuance of this Agreement any reports with respect to Impositions involving any Cars are

required to be made, Railtex will either make such reports in such manner as to show the interest of Greyhound in the Cars or notify Greyhound of such requirement and make such reports in such manner as shall be satisfactory to Greyhound. To the extent that Railtex is prohibited by law from performing in its own name the duties required by this paragraph, and only to that extent, Greyhound hereby authorizes Railtex to act in Greyhound's name and on its behalf, provided, however, that Railtex shall indemnify and hold Greyhound harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by Railtex pursuant to this authorization. Railtex shall, whenever requested by Greyhound, submit to Greyhound copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to Greyhound of Railtex's performance of its duties under this paragraph. Railtex shall also furnish promptly on request all data as Greyhound shall reasonably require to permit Greyhound's compliance with the requirements of taxing jurisdictions.

7.(b) The installment payments and other sums payable by Railtex hereunder shall be paid without notice, demand, counterclaim, set-off, deduction, recoupment or defense and without abatement, suspension, deferment, diminution or proration by reason of any circumstance or occurrence whatsoever. Railtex waives all rights now or hereafter conferred by statute or otherwise (except as provided in this Agreement) to terminate or surrender this Agreement or the Cars or any part thereof or to any abatement, suspension, deferment, diminution, reduction or proration of the installment payment and other sums payable hereunder on account of any occurrence described in this Agreement.

8. COVENANTS, REPRESENTATIONS AND WARRANTIES

8.(a) Greyhound covenants, represents and warrants that, at the time the Cars become subject to this Agreement, Greyhound has received, or will receive, whatever title conveyed, or will be conveyed, to Greyhound by Greyhound's predecessor-in-title to such Cars free and clear of all claims, liens, and encumbrances of every kind whatsoever resulting from any act of Greyhound and shall have the right to sell the Cars to Railtex under this Agreement, and Railtex shall have the exclusive right to possession and quiet enjoyment of the Cars so long as Railtex shall not be in default under this Agreement. THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESSED OR IMPLIED, IT BEING UNDERSTOOD AND AGREED THAT GREYHOUND EXTENDS NO OTHER WARRANTY TO RAILTEX. GREYHOUND SPECIFICALLY AND EXPLICITLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, DESIGN, CONDITION AND FITNESS (FOR USE OR FOR ANY PARTICULAR PURPOSE), THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP OR IN THE QUALITY OR SUITABILITY OF THE CARS DELIVERED TO RAILTEX HEREUNDER, AND RAILTEX AGREES TO ACCEPT THE CARS FROM GREYHOUND "AS IS". Greyhound further covenants that, at the time the Cars become subject to this Agreement it will assign to Railtex, without recourse, all warranties, expressed and implied, if any, which Greyhound received from the Manufacturer or Vendor of the Cars. Upon an Event of Default, Railtex covenants to reassign to Greyhound the aforesaid warranties.

8.(b) Railtex covenants, represents and warrants that:

(i) Railtex is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and has the corporate power to own its assets and to transact the business in which it is engaged. Railtex is not qualified to do business as a foreign corporation in any jurisdiction and no such qualification is required.

(ii) The execution and delivery of this Agreement by Railtex and its assumption and undertaking of the obligations, duties and liabilities hereof have been duly authorized. This Agreement is legal, valid, binding and enforceable against Railtex in accordance with its terms with Greyhound having a valid and enforceable, perfected first and senior lien on the Cars upon the full payment of the purchase price of the Cars to the Manufacturer.

(iii) Upon the full payment of the purchase price to the Manufacturer, the rights of Greyhound and the title of Greyhound to the Cars are free and clear of any and all liens, charges or security interests created (other than by an act of Greyhound) by any mortgage, security agreement or other instrument binding on Railtex.

(iv) Railtex is currently not in default under any other existing mortgage, indenture, contract, agreement or other instrument or undertaking, order, decree, judgment of any court, arbitration or governmental authority to which it is a party or by which it is bound, and it is not in default under this Agreement.

(v) There is no provision in any existing mortgage, indenture, contract, lease, agreement or other instrument or undertaking binding on Railtex which would be contravened by the execution and delivery of this Agreement or performance by Railtex of the terms of this Agreement, or if there is such a provision, consents to such execution, delivery or performance have been obtained.

(vi) No governmental authorizations, approvals or exemptions are required of Railtex and no registration by Railtex with any governmental agency or commission is necessary for the execution, delivery or performance of this Agreement by Railtex or for the validity and enforceability hereof or for the sale of the Cars hereunder, or for the payments or any of the other terms and conditions herein provided; or, if any such authorizations or registrations are required, they will be or have been obtained or accomplished; and, if any such authorizations or registrations hereafter shall be required, they will be promptly obtained or accomplished.

(vii) No litigation or administrative proceedings are pending or, to the knowledge of Railtex, are threatened against Railtex in any court or before any arbitrator of any kind, any governmental authority, any bureau or any agency, the adverse determination of which would affect the validity of this Agreement, the rights of Greyhound hereunder, the ability of Railtex to make installment payments and other payments due under this Agreement or the ability of Railtex to perform its other obligations and duties under this Agreement.

(viii) The execution, delivery and performance of this Agreement will not contravene any provision of law, including without limitation thereto, any statute, rule, regulation, judgment, decree, order, franchise or permit applicable to Railtex and will not conflict with or violate any provision of its Charter or Articles or Certificate of Incorporation, or its By-Laws.

(ix) All financial statements that have heretofore been presented by Railtex to Greyhound in conjunction with the transaction which is the subject of this Agreement fairly and accurately present a true and correct picture of its financial condition, as of the date given and as of the date hereof; moreover, as of such dates, such financial statements do not contain any untrue statement of a material fact nor do they omit to state a material fact required to be stated therein or

necessary in order to make such financial statements not misleading; and there is no fact, situation or event which, in the opinion of its officers, materially adversely affects or, so far as they can now foresee, will materially adversely affect the properties, business, assets, income, prospects or condition (financial or otherwise) of Railtex.

(x) All tax returns which are required to be filed by Railtex under the laws of any jurisdiction in which its business and operations are conducted have been filed and all taxes shown on the returns have been paid.

9. OPINION OF COUNSEL

Railtex will deliver to Greyhound an opinion of its independent legal counsel substantially in the form attached hereto as Exhibit "B" and made a part hereof.

10. IDENTIFICATION OF CARS

10.(a) On or before the delivery to Railtex of the Cars, Railtex, at its sole cost and expense, agrees to cause to be plainly, distinctly, permanently and conspicuously placed, fastened or painted upon each side of each of the Cars a legend in letters not less than one inch in height bearing the following words:

"GREYHOUND LEASING & FINANCIAL CORPORATION,
PHOENIX, ARIZONA, OWNER AND CONDITIONAL SELLER"

10.(b) In case any such legend at any time shall be painted over or otherwise made inconspicuous, removed, defaced or destroyed during the Term of this Agreement, Railtex shall immediately cause such legend to be restored or replaced. Railtex will not allow the name of any person, association or corporation to be placed on the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than Greyhound or its assignees; but the Cars may be lettered with the names or initials or other insignia customarily used by Railtex on equipment of the same or a similar type for convenience of identification of the rights to use and operate the Cars under this Agreement.

10.(c) On or prior to the respective Delivery Date of the Cars, Railtex agrees to cause to be placed on each side thereof Railtex's assigned number. At all times thereafter, during the Term of this Agreement, Railtex will cause the Cars to bear the number so assigned to it, and Railtex will not change or permit to be changed the number except in accordance with a statement of new number to be substituted therefor which previously shall have been filed with Greyhound by Railtex and filed, recorded or deposited in all public offices where this Agreement will have been filed, recorded or deposited.

11. TAX BENEFITS

11.(a) Greyhound agrees that Railtex shall be the party entitled to claim Investment Tax Credit and Depreciation available on Railtex's purchase of the Cars. Greyhound agrees that it shall not be entitled to, nor will it claim, Investment Tax Credit and Depreciation. Greyhound agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing. Greyhound makes no representation or warranty to Railtex that the Investment Tax Credit and/or Depreciation are available on the Cars when purchased.

11.(b) If for any reason (regardless if required under paragraph 15(a) and 15(b) or not) all or part of the cost of any alterations, modifications, additions, maintenance or repairs of or to the Cars (hereinafter called "Additional Expenditures") is required to be included in the gross income of Greyhound under the laws of the United States or any state or local government or taxing authority in the United States, or under the laws of any taxing authority or political or governmental subdivision of a foreign country, at any time prior to the expiration of the Term of this Agreement, then Railtex shall pay to Greyhound on demand the sum of (i) the amount of any increase in state, local, federal or foreign income tax liability resulting from the inclusion of such Additional Expenditures in the gross income of Greyhound, (ii) the amount of any interest (net of any actual decrease in state, local or federal income tax caused by any allowable deduction of such interest from the taxable income) or penalties, including any additions to tax because of underpayment of estimated tax, which may be assessed against Greyhound in connection therewith, and (iii) the amount of any state, local, federal or foreign income taxes which are or will be required to be paid by (or, if previously paid, which will not be refunded to) Greyhound as a result of the receipt of amounts pursuant to this paragraph 11.(b). If at any time subsequent to such payment, Greyhound shall be allowed and shall receive a refund with respect to any portion or all of the amount of any such increase in federal, state or local income tax liability, then, promptly after receipt of said refund, Greyhound shall pay to Railtex the sum of (W) all amounts with respect to such allowance received by Greyhound from the Federal government or state or local taxing authority, as the case may be (including refunds of interest and penalties and any additional interest received by Greyhound on such refunds), reduced by all taxes required to be paid by Greyhound in respect to the receipt of such amounts, and (X) the amount of any taxes saved by Greyhound in respect to its payment to Railtex of amounts referred to in subclause (W) above and its payment to Railtex of amounts pursuant to this subclause (X). As and if Greyhound actually realizes a present or future federal, state or local income tax benefit as a direct result of the inclusion in Greyhound's gross income of all or part of any Additional Expenditures as to which the foregoing is applicable, Greyhound shall pay to Railtex (Y) an amount equivalent to the federal, state or local income tax benefit actually realized, and (Z) the amount of any federal, state or local income taxes saved by Greyhound in respect of its payment to Railtex of amounts referred to in subclause (Y) above and its payment to Railtex of amounts pursuant to this subclause (Z).

12. MAINTENANCE AND LIENS

12.(a) It is agreed between the parties that, as between Greyhound and Railtex, all risks, as to the merchantability, fitness, design or condition of, or as to the quality of the material, equipment or workmanship in or the quality or suitability of the Cars delivered to Railtex hereunder, are to be borne by Railtex.

12.(b) Railtex agrees, during the continuance of this Agreement, at Railtex's own cost and expense, to maintain and keep the Cars in first-class condition, repair, and appearance and in good and efficient working order, reasonable wear and tear excepted, and acceptable for use in unrestricted interchange. Except for alterations or changes required by law, Railtex shall not, without the prior written approval of Greyhound, effect any change in the design, construction or body of the Cars. Railtex shall notify Greyhound promptly of any alterations or changes in the Cars required by law, describing by identification number the Cars affected and the nature of the alterations or changes. Railtex agrees to enter into a maintenance contract with Safety Railway Service, Inc., of Victoria, Texas (or another company receiving the prior approval of Greyhound), at Railtex's own cost and expense for the Term of the Agreement, in which said company agrees to perform the maintenance and repairs on the Cars as required by this Agreement. Railtex further agrees to assign the required maintenance contract to Greyhound immediately on the request of Greyhound, such assignment shall be in a form and content satisfactory to Greyhound and its counsel.

12.(c) Railtex agrees that Greyhound shall not be liable to Railtex for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by the Cars or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing, modification or adjustments thereto, or any delay in providing or failure to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused.

12.(d) Any part installed or replacements made by Railtex upon the Cars shall be considered accessions to the Cars and title thereto shall be immediately vested in Greyhound, without cost or expense to Greyhound except that this shall not apply to special equipment installed on the Cars by Railtex with the consent of Greyhound.

12.(e) Railtex shall pay or satisfy and discharge any and all sums claimed by any party other than those which were created by act of Greyhound which, if unpaid, might become a lien or a charge upon the Cars or entitled to priority over any of the rights of Greyhound in and to the Cars, but Railtex shall not be required to discharge any such claim so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which, in the opinion of Greyhound, will not affect or endanger the title and interest of Greyhound in and to the Cars.

13. INSURANCE

13.(a) Railtex, at its own cost and expense, shall insure the Cars from the time of delivery and acceptance thereof and at all times thereafter until Railtex's obligations under this Agreement with respect to the Cars have been discharged against loss, damage or destruction thereof caused by fire, lightning, theft, wreck, derailment, collision, flood, tornado, cyclone, sabotage, riot or civil commotion, such insurance to be in an amount equal to the Stipulated Loss Value therefor, except that such coverage may be limited so that any loss amounting to less than Five Hundred Dollars (\$500.00) shall not be payable by the insurer.

13.(b) All such insurance (i) shall be taken for the benefit of Railtex and Greyhound, as their respective interests may appear, in a financially sound and responsible insurance company or companies satisfactory to Greyhound, (ii) shall insure the respective interests of Greyhound and Railtex in the Cars and shall provide that the proceeds of such insurance shall be payable to Greyhound and (iii) shall insure the interests of Greyhound regardless of any breach or violation by Railtex of any warranties, declarations or conditions contained in such policies.

13.(c) All insurance proceeds received by Greyhound with respect to the Cars shall:

(i) Be applied by Greyhound, in the case of the loss, destruction or damage beyond repair of the Cars, toward the satisfaction of Railtex's obligation to make the payment required by paragraph 14 hereof; or

(ii) Be paid to Railtex, in the case of repairable damage to the Cars, on receipt by Greyhound of a written application signed by Railtex or by a person designated by Railtex for the payment of or to reimburse Railtex for the cost of repairing the Cars. The written application shall be accompanied by satisfactory evidence of the cost and satisfactory completion of the repair to the Cars. If an Event of Default has occurred and is continuing hereunder, the proceeds of insurance may be applied by Greyhound, at Greyhound's option, against any liability of Railtex to Greyhound hereunder for such Default, as defined in paragraph 16.

13.(d) The proceeds of any insurance received by Greyhound on account of loss, theft, destruction or damage to the Cars in respect of which Railtex shall have made payment to Greyhound pursuant to paragraph 14 hereof shall be released to Railtex on receipt by Greyhound of a written application signed by Railtex or a person designated by Railtex, provided, however, that if an Event of Default has occurred and is continuing hereunder, such proceeds may be applied by Greyhound, at Greyhound's option, against any liability of Railtex to Greyhound hereunder for such Default as defined in paragraph 16.

13.(e) Railtex, at its own cost and expense, shall maintain comprehensive general liability coverage with respect to the Cars satisfactory to Greyhound as set forth in Exhibit C hereto, which by this reference is incorporated herein as if set forth in its entirety from the time of delivery and acceptance of the Cars and at all times thereafter until Railtex's obligation under this Agreement with respect to the Cars having been discharged.

13.(f) All insurance policies required herein shall contain a provision to the effect that the insurer will give Greyhound thirty (30) days prior written notice before cancellation, termination or modification of any such policies are effective.

13.(g) In the event Railtex is notified that Greyhound has assigned this Agreement or assigned the payments payable hereunder, Railtex shall exercise its best efforts to provide insurance containing loss payable clauses satisfactory to both Greyhound and Greyhound's assignee but in no event shall said clause provide less coverage than provided for herein. Railtex shall furnish Greyhound or Greyhound's assignee with certificates or other satisfactory evidence of the maintenance of the insurance required hereunder.

14. LOSS, THEFT OR DESTRUCTION OF THE CARS

In the event the Cars, or any of them, are lost or stolen or are destroyed or damaged beyond economic repair from any cause whatsoever, or shall be appropriated, requisitioned, taken over or nationalized by any governmental authority under the power of eminent domain or otherwise during the Term of this Agreement, and all of the obligations of Railtex hereunder are not assumed by such governmental authority within sixty (60) days after such appropriation, requisitioning, taking over or nationalization (hereinafter referred to as a "Loss"), Railtex shall promptly and fully inform Greyhound of such occurrence and this Agreement shall cease and terminate as to such Cars and the installments thereof shall be abated and Railtex shall pay Greyhound an amount equal to the last previous installment payment on the date that the next installment payment would have fallen due and shall continue to pay such amount each month thereafter until such time as Greyhound shall have received from Railtex or from the proceeds of insurance an amount equal to the sum of (a) accrued installment payments, if any, to the date of such Loss, (b) the Stipulated Loss Value as of the date of such Loss and (c) interest on the unpaid balance of said amount at the rate set forth in paragraph 2 above from the date of such Loss to the date of receipt. At such time as Greyhound has received the sum of (a), (b) and (c) above, either from Railtex or from the insurance proceeds, Railtex shall then be entitled to receive the remainder, if any, of all insurance proceeds as compensation for the loss of Railtex's interest in the Cars, and to the extent and at the time that Greyhound shall have received any monies in excess of the sum of (a), (b) and (c) above, Greyhound shall then refund the amount of such excess to Railtex.

15. COMPLIANCE WITH LAWS AND RULES, AND INDEMNIFICATION

15.(a) Railtex agrees to preserve and keep in full force and effect its corporate existence and all rights, licenses, permits and franchises necessary for the proper conduct of its business and to comply in all respects (i) with all laws of the jurisdictions in which its operations involving the Cars may extend, (ii) with the interchange rules of the Association of

American Railroads, (iii) with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body, and (iv) with all lawful rules of any other association of carriers or shippers exercising any power or jurisdiction over Railtex or over the Cars, to the extent that such laws and rules affect the title, operation, storage, maintenance or use of the Cars.

15.(b) In the event such laws or rules require the alteration of the Cars, Railtex shall conform the Cars in accordance therewith at Railtex's expense and shall maintain the same in proper condition for operation under such laws and rules; provided, however, that Railtex may in good faith contest the validity and application of any such law or rule in any reasonable manner which does not, in the opinion of Greyhound, adversely affect the property or rights of Greyhound as owner hereunder.

15.(c) Railtex agrees to assume all risks and liability for the Cars sold hereunder, for the delivery, use, operation, storage and sale thereof and for injuries or deaths of persons, maintenance and damage to property, howsoever arising from or incident to such delivery, use, operation, storage or sale, whether such injury or death to persons be of agents or employees of Railtex or of third parties and such damage to property be of Railtex or of others. Railtex will save and hold Greyhound harmless from and against all losses, damages, claims, injuries, demands, penalties, liabilities, and expenses, including, without limitation, attorney's fees, howsoever arising or incurred because of or incident to (i) the Cars or the actual or alleged orderings, purchase, acquisition, delivery, management, control, leasing, condition, destruction, damage, return, storage, repossession, surrender, sale or other disposition, use, operation or storage thereof, (ii) the assertion of any claim or demand based on any infringement or alleged infringement of any patent, trademark or other right by or in respect to the Cars and (iii) strict liability in tort.

16. DEFAULT AND REMEDIES

16.(a) Greyhound shall have the benefit of the remedies stated in paragraph 16.(b) herein if during the Term of this Agreement one or more of the following events shall occur ("Events of Default" or "Default"):

(i) Railtex shall fail to pay when due any part or any of the payments required by the Supplement or of any other sum to be paid hereunder and such failure shall continue for twenty-four (24) hours after receipt by Railtex of written, telegraphic or telex notice of such failure to pay;

(ii) Railtex should fail at any time to procure or maintain any insurance coverage prescribed herein;

(iii) Railtex shall make or suffer any unauthorized assignment or transfer of this Agreement or of possession of the Cars or any of them, except appropriation, requisitioning, taking over or nationalization as described in paragraph 14 hereof, and shall fail or refuse to cause such assignment or transfer to be canceled by agreement of all parties having any interest therein and to recover possession of the Cars within five (5) days after written notice from Greyhound to Railtex demanding such cancellation and recovery of possession;

(iv) Railtex shall fail to observe or perform any other of the covenants, conditions and agreements on the part of Railtex contained herein and such failure shall continue for ten (10) days after written notice from Railtex to Greyhound specifying the Default and demanding the same to be remedied;

(v) Railtex or any successor shall be in material default under any existing mortgage, note, indenture, contract, lease, agreement, instrument of undertaking, order or decree of any court, arbitrator of any kind, or any governmental agency or any other obligation;

(vi) Any material representation made by Railtex herein or hereunder or in any certificate or other instrument delivered under or pursuant to any provision hereof shall prove to have been false or incorrect in any material respect on the date as of which made;

(vii) Railtex should commit an act of bankruptcy or be the subject of any proceeding under the Bankruptcy Act or any amendment thereto or under any other insolvency law or law providing for the relief of debtors (provided, however, that if the same is an involuntary proceeding which is stayed or dismissed within thirty (30) days from the date of commencement the same shall not constitute default);

(viii) Railtex should become insolvent (that is, unable to pay its debts as they fall due);

(ix) If final judgment from which no appeal may be taken or a stay of enforcement granted for the payment of money aggregating in excess of \$10,000.00 should be rendered against Railtex and the same shall remain outstanding and undischarged for a period of thirty (30) days thereafter.

16.(b) If one or more of Events of Default set forth in paragraph 16(a) hereof should occur, the entire balance of the Time Sale Price then remaining due hereunder automatically shall become due and payable immediately, without further demand, protest or notice of any kind to Railtex. In addition, on Railtex's default hereunder, Greyhound may exercise or avail itself of any and all rights and remedies that a secured party has against a debtor under the laws of the State of Texas, and in particular the Uniform Commercial Code thereof, as may be in force and effect at the time of such default, including, without limitation, the right to take possession of the Cars, and for that purpose Greyhound may, so far as Railtex can give authority therefor, enter upon any premises on which the Cars may then be situated and remove the same therefrom. Greyhound may require Railtex to deliver the Cars to Greyhound at a place to be designated by Greyhound, and Railtex hereby agrees so to do when requested by Greyhound. Expenses of retaking, holding, preparing for sale, selling or the like including Greyhound's reasonable attorneys' fees and legal expenses shall be borne by Railtex. No right or remedy conferred on or reserved to Greyhound by this Agreement shall be exclusive of any other right or remedy herein or by law provided; and all rights and remedies of Greyhound conferred on Greyhound by this Agreement or by law shall be cumulative and in addition to every other right and remedy available to Greyhound.

17. INTENT OF PARTIES

It is the intention of the parties hereto to conform strictly to the usury laws now in force in the State of Texas. Accordingly, notwithstanding anything to the contrary in this Agreement, the Security Instruments or in any other instrument or agreement entered into in connection with this Agreement, it is agreed as follows: (a) the aggregate of all charges which constitutes interest under the laws of the State of Texas that are contracted for, chargeable or receivable under this Agreement or under any of the other aforesaid instruments or agreements or otherwise in connection with this Agreement shall under no circumstances exceed the maximum amount of interest permitted by law, and any excess shall be deemed a mistake in calculation and cancelled automatically and, if theretofore paid, shall be either refunded to Railtex or credited to the indebtedness owed to Greyhound hereunder; and (b) in

the event that the Installment Payments hereunder are accelerated by reason of an election of Greyhound resulting from any Event of Default under this Agreement or otherwise, then earned interest may never include more than the maximum amount permitted by law, and unearned interest, if any, provided for in this Agreement or otherwise, shall be cancelled automatically and, if theretofore paid, shall be either refunded to Railtex or credited the indebtedness owed hereunder.

18. POSSESSION AND USE OF THE CARS, PER DIEM AND OTHER CHARGES

18.(a) Unless an Event of Default shall have occurred and be continuing, Railtex shall be entitled to the possession and use of the Cars in accordance with the terms of this Agreement. Railtex shall not use or permit the use of the Cars involving the operation and/or maintenance thereof outside the United States of America. Railtex shall not, without the prior written consent of Greyhound, part with the possession or control of, or suffer or allow to pass out of its possession or control the Cars except that Railtex may permit the use thereof or any part thereof by other railroad companies in the usual interchange of traffic agreement, but only on and subject to all the terms and conditions of this Agreement; provided however, Railtex may lease the Cars to third parties subject to the following terms and conditions:

(i) Prior to Railtex entering into a lease transaction, the lease and lessee must receive the written approval of Greyhound; and

(ii) Each lease entered into by Railtex must be assigned to Greyhound, the lease and assignment being in form and content acceptable to Greyhound and its counsel.

18.(b) All per diem payments, lease rentals and other charges payable for the use of the Cars while being used by others and proceeds payable for the loss, destruction or damage of or to the Cars under the current Code of Rules Governing the Settlement for Destroyed or Damaged Cars adopted by the Association of American Railroads shall be paid to Greyhound's agent, care of Greyhound, who, prior to Default and until a successor is designated by Greyhound, may be Railtex. Railtex shall cause appropriate instructions as to such payments to be published in each issue of the Official Railway Equipment Register. Prior to the occurrence of an Event of Default the amounts so paid shall be remitted by such agent to Railtex; provided, however, that if an Event of Default shall occur, no such payments, lease rentals or other charges shall be paid to Railtex from and after the occurrence of said Event of Default, and Railtex hereby releases any claim thereto, and all such payments, lease rentals and other charges shall be remitted to Greyhound and may be applied by Greyhound against any liability of Railtex to Greyhound hereunder or any expense incurred by Greyhound because of such Default.

19. ASSIGNMENT

19.(a) All rights, benefits and advantages of Greyhound hereunder may be assigned, pledged, transferred or otherwise disposed of, either in whole or in part, without the prior written consent of Railtex.

19.(b) Railtex, without the prior written consent of Greyhound, shall not sell, assign, transfer or encumber its interest in this Agreement, in whole or part, or sublet the Cars, except as provided in paragraph 18 above. Any sale, assignment, transfer, encumbrance or lease prohibited by this paragraph 19 shall be void.

20. REPORT AND RIGHT TO INSPECT THE CARS

20.(a) During the Term of this Agreement and without demand, Railtex agrees that it and its agents, employees and representatives will cooperate with Greyhound in the investigation and defense of any and all claims against Greyhound which may arise as a result of the alleged or apparent improper manufacturing, functioning or operation of the Cars and that they will aid in the recovery of damages from any third parties responsible therefor.

20.(b) During the Term of the Agreement, Railtex will furnish to Greyhound (a) as soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year of Railtex, a balance sheet of Railtex as at the end of such fiscal year and statements of income and of changes in financial position of Railtex for such fiscal year (together, in each case, with the comparable figures for the immediately preceding fiscal year), all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and with prior periods and certified to by a recognized firm of Certified Public Accountants selected by Railtex and satisfactory to Greyhound, (b) as soon as available, and in any event within sixty (60) days after the end of each of the first three quarterly periods of each fiscal year of Railtex, a balance sheet of Railtex as at the end of such quarterly period and related statements of income and of changes in financial position of Railtex for the period from the beginning of the fiscal year to the end of such quarterly period (together, in each case, with the comparable figures for the corresponding period of the immediately preceding fiscal year), all in reasonable detail but without explanatory footnotes, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and with prior periods and certified by the chief financial officer of the Company (subject to normal year-end audit adjustments), (c) concurrently with the delivery of the financial statements referred to in clause (a) above, a certificate from a recognized firm of Certified Public Accountants who audited such statements stating that in making the examination necessary for the audit of such financial statements they obtained no knowledge of any default by Railtex in the observance, performance or fulfillment of any of the covenants contained in this Agreement, or if they shall have obtained knowledge of any such default, specifying the same, (d) concurrently and simultaneously with the delivery of the financial statements referred to in clauses (a) and (b) above, Railtex shall issue and deliver to Greyhound a certificate stating whether there exists on the date of issuance of said certificate any condition or event which constitutes or which, after notice or lapse of time or both, would constitute an Event of Default hereunder, and if any such condition or event then exists, specifying the nature and period of existence thereof and the action Railtex is taking and proposes to take with respect thereto, and (e) from time to time, such additional financial and other information as Greyhound may reasonably request.

20.(c) During the Term of this Agreement, Railtex will furnish to Greyhound, on or before February 1st of each year (commencing with the year 1980) and on such other dates as Greyhound may from time to time reasonably request, an accurate report certified by a duly authorized officer of Railtex stating as of a recent date (but, in the case of each annual statement, not earlier than the preceding December 31 and in case of any other such statement, not earlier than a date ninety (90) days preceding the date of such statement) (i) that the Cars have been maintained in accordance with paragraph 12.(b) hereof or, if such be the case, then being repaired in accordance with paragraph 12 hereof, and that the legends placed on the Cars as required by paragraph 10 hereof have been preserved or repainted on each side of each of the Cars, and that Railtex's identifying reporting mark and the appropriate car number have been preserved or repainted on each side of each of the Cars as required by paragraph 10 hereof, (ii) the location of the Cars and (iii) such other information regarding the location, condition and state of repair of the Cars as Greyhound may reasonably request.

20.(d) During the Term of this Agreement, Railtex will promptly give notice in writing to Greyhound of (a) the occurrence of any Default or Event of Default, (b) the occurrence of any default by any party (including Railtex) under any lease (if permitted hereunder), (c) the occurrence of any default or event of default under any other agreement or instrument relating to any indebtedness of Railtex for borrowed money, for the deferred purchase price of property or equipment or for the leasing of equipment and (d) the occurrence of any litigation or proceedings affecting Railtex and of any proceeding or proceedings affecting Railtex and of any proceeding or threatened proceeding between Railtex and any governmental regulatory body or any other party which might interfere with the normal operations of Railtex or which might result in any materially adverse change in the business or condition (financial or otherwise) of Railtex.

20.(e) Greyhound or its assignee shall have the right, at its sole cost and expense, by its authorized agents, employees or representatives, to inspect the Cars and Railtex's records with respect thereto, at such times and from time to time during the Term of this Agreement as may be reasonably necessary to confirm to the satisfaction of Greyhound or its assignee the existence and proper maintenance of the Cars.

21. RETURN OF THE CARS

21.(a) If Greyhound shall rightfully demand possession of the Cars pursuant to this Agreement or otherwise, Railtex shall forthwith remove or cause to be removed any lettering of the names or initials or other insignia customarily used by Railtex from the Cars at its cost and expense and deliver the possession of the Cars to Greyhound, such Cars to be in the same operating order, repair, condition and appearance as when received, excepting only for reasonable wear and tear and damage by any cause covered by collectable insurance in accordance with this Agreement, and Railtex will pay for any repairs necessary to restore the Cars to their original condition, except as aforesaid. For such purpose Railtex, at its own cost and expense, shall forthwith assemble the Cars and place them upon such storage tracks as Greyhound may designate or, in the absence of such designation, as Railtex may select, and Railtex shall pay all costs and expenses of such storage for a period not exceeding one hundred eighty (180) days from the date that the Cars are so assembled, and at Railtex's own cost and expense shall transport or cause to be transported the Cars at any time within such one hundred eighty (180) day period on the written direction of Greyhound to do so to the place the Cars were located when the Certificate of Inspection and Acceptance was executed. The assembling, delivery, storage and transportation of the Cars as hereinabove provided are of the essence of this Agreement and, upon application to any court of equity having a jurisdiction in the premises, Greyhound shall be entitled to a decree against Railtex so as to require Railtex to assemble, deliver, store and transport the Cars.

21.(b) Without in any way limiting the obligation of Railtex under the foregoing provisions of this paragraph 21, Railtex hereby irrevocably appoints Greyhound as its agent and attorney, with full power and authority, at any time while Railtex is obligated to deliver possession of the Cars to Greyhound, to demand and take possession of the Cars in the name and on behalf of Railtex from whomsoever shall be at the time in possession of the Cars.

22. FORCE MAJEURE

Greyhound's obligation to deliver and sell the Cars hereunder shall be subject to delays or impossibility of performance resulting from causes beyond the control of Greyhound or the Manufacturer and Vendor of the Cars in the ordinary course of their respective businesses, including but not limited to, acts of God, acts of government establishing embargoes or imposing controls on price or interest rates, priorities, allocations, war or war conditions, riot or civil commotion, sabotage, strikes, lockouts, labor disputes, accidents, fire,

flood, explosion, damage to plant equipment or facilities or delays in receiving necessary materials.

23. MODIFICATION OF AGREEMENT

This Agreement exclusively and completely states the rights of Greyhound and Railtex with respect to the Cars. No modification, variation, termination, discharge or abandonment hereof and no waiver of any of the provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of Greyhound and Railtex, or the successors, transferees or assigns of either, subject, however, to the limitations on assignment hereof by Railtex. This Agreement supersedes any and all prior representations, warranties and/or inducements, written or oral, heretofore made by Greyhound concerning this transaction, which are null and void and of no force or effect whatsoever.

24. HEADINGS AND CERTAIN REFERENCES

All paragraph headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement. Unless otherwise indicated, all references herein to clauses and other subdivisions refer to the corresponding paragraphs, clauses and other subdivisions of this Agreement; the words "herein", "hereof", "hereto", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular paragraph, clause or other subdivision hereof; and reference to a numbered or lettered subdivision of a paragraph shall include relevant matter within the section which is applicable to but not within such numbered or lettered subdivision.

25. CERTAIN APPLICABLE LAWS

Any provision hereof prohibited by or unlawful or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be ineffective without modifying the remaining provisions of this Agreement. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by Railtex to the full extent permitted by law, to the end that this Agreement shall be deemed to be a valid, binding agreement enforceable in accordance with its terms.

26. 360-DAY YEAR

Computations hereunder involving the determination of interest shall be made on the basis of a 360-day year of twelve (12) 30-day months.

27. NOTICES

All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered to Railtex or any officer of Greyhound or delivered to the United States Post Office, registered or certified, postage prepaid, or to a telegraph office, charges prepaid, addressed as follows:

If to Greyhound:

GREYHOUND LEASING & FINANCIAL CORPORATION
Greyhound Tower
Phoenix, Arizona 85077
Attention: Vice President - Operations

If to Railtex:

RAILTEX, INC.
300 Elizabeth Road
San Antonio, Texas 78209
Attention: President

or to such other addresses as may hereafter be furnished in writing by either party to the other.

28. GOVERNING LAW

The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Texas.

29. SURVIVAL OF COVENANTS

Any other provisions contained in this Agreement to the contrary notwithstanding, it is hereby agreed that the provisions of paragraphs 7(a), 11, 12(c), 12(e), 13(c), 13(d), 15(c), 21, 27 and 28 shall survive the expiration or termination hereof.

30. SUCCESSORS AND ASSIGNS

Subject to the provisions of paragraph 19, this Agreement shall be binding upon and shall inure to the benefit of Greyhound and Railtex and their respective successors and assigns, and no other persons shall have or acquire any right under or by virtue of this Agreement.

31. FURTHER ASSURANCES

Railtex agrees from time to time throughout the Term of this Agreement to execute such additional documents and to perform such further acts as may be reasonably requested by Greyhound in order to carry out and effectuate the purposes and intents of this Agreement.

32. GENERAL

This Agreement and the Security Interest in the Cars created hereby shall terminate when the obligations of Railtex hereunder have been paid and satisfied in full. Time is hereby declared to be the essence of this Agreement. Greyhound shall deliver to Railtex a Bill of Sale to the Cars when the obligations of Railtex hereunder have been paid and satisfied in full.

33. CONSOLIDATION OF TRANSACTIONS AND OBLIGATIONS

Railtex acknowledges that it now has, or may hereafter have, other conditional sales or lease transactions with Greyhound, such other transactions being subject to conditional sale and security agreements, loan agreements, promissory notes, chattel mortgages and security agreements and equipment lease agreements not part of the documents evidencing this transaction. Railtex further acknowledges that Greyhound views all such transactions with Railtex as a continuing, single relationship supported by the collective value of all equipment under conditional sale or lease to Railtex. It is therefore acknowledged and agreed by Railtex that, without regard to the number of separate conditional sale and security agreements, loan agreements, promissory notes, chattel mortgages and security agreements

and equipment lease agreements executed between the parties, a default under any conditional sale and security agreement, including this Conditional Sale and Security Agreement, loan agreement, promissory note, chattel mortgage and security agreement or equipment lease agreement not cured within any applicable grace period, shall constitute a default under all conditional sale and security agreements, loan agreements, promissory notes, chattel mortgages and security agreements and equipment lease agreements and Greyhound may, in its discretion, exercise its right of repossession and/or any and all other remedies available to Greyhound as to any and/or all items of equipment, whether a default exists under any conditional sale and security agreement, loan agreement, promissory note, chattel mortgage and security agreement and equipment lease agreement covering the equipment which Greyhound repossesses or takes other action in respect thereto.

In the event that the sales price of the Cars subsequent to an Event of Default exceeds the sums due Greyhound hereunder, such excess sales proceeds shall be applied against any deficiency resulting from a corresponding default and sale under any other conditional sale and security agreement, loan agreement, promissory note, and/or equipment lease agreement not part of the documents evidencing this transaction; similarly, in the event there is a default and subsequent sale of the equipment subject to any other conditional sale and security agreement, loan agreement, promissory note, chattel mortgage and security agreement and/or equipment lease agreement not part of the documents evidencing this transaction and in such event the sales proceeds of such equipment exceeds the sums due Greyhound thereunder, such excess sale proceeds shall be applied to any deficiency incurred by Greyhound hereunder.

34. DOCUMENTS

As soon hereafter as feasible, and in any event prior to Greyhound's purchase of the Cars from the Manufacturer, Railtex shall at its sole cost and expense execute, deliver and/or file and record or cause to be executed, delivered and/or filed and recorded to or for Greyhound, as the case may be, the following documents, which must be in form and content satisfactory to Greyhound and its counsel:

34.(a) A legal opinion of Railtex's independent legal counsel, substantially in a form as set forth in Exhibit "B".

34.(b) A certified copy of the Resolution adopted by the Board of Directors of Railtex, authorizing the execution of and performance under this Agreement.

34.(c) A certificate of insurance issued by an insurer acceptable to Greyhound, in which Railtex appears as a named insured and which evidences Railtex's purchase of (i) a comprehensive general liability policy covering the operations of Cars and having policy limits of not less than those specified in Exhibit C hereto, and (ii) a physical damage insurance policy in an amount acceptable to Greyhound, all in accordance with paragraph 13 above.

34.(d) The Agreement shall have been duly filed and recorded with the Interstate Commerce Commission under Section 20(c) of the Interstate Commerce Act.

34.(e) An executed counterpart of a maintenance contract by and between Railtex and Safety Railway Services, Inc.

34.(f) Such other agreements, certificates or other instruments in writing as shall be deemed reasonably necessary or desirable by Greyhound or its counsel in order to more fully and completely secure, protect, perfect or preserve Greyhound's interest in and to the Cars, including without limitation UCC Financing Statements.

35. CONDITIONS PRECEDENT TO GREYHOUND'S OBLIGATION TO PURCHASE THE CARS

The obligations of Greyhound hereunder to purchase the Cars and sell them to Railtex are expressly contingent on satisfaction and fulfillment of the following:

35.(a) Railtex shall have executed and delivered, or caused to be executed and delivered, the documents described in paragraph 34 above.

35.(b) There shall be no materially adverse change in the financial condition of Railtex and no materially adverse change in the ability of Railtex to perform its obligations under this Agreement prior to the date on which Greyhound is requested to purchase the Cars.

35.(c) Railtex shall have kept and performed the various covenants, obligations and duties of its part to be kept and performed hereunder.

35.(d) The filing and recording of this Agreement with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

35.(e) Railtex shall, at its sole cost and expense, purchase and maintain (including, without limitation, the prompt payment of all premiums due thereon) in full force and effect during the Term of this Agreement a life insurance policy on the life of Bruce M. Flohr, with Greyhound as the sole beneficiary of the policy, which shall have a policy limit of not less than \$150,000.00 during the Term of this Agreement. The life insurance policy must be acceptable in form and substance to Greyhound, must be from a company acceptable to Greyhound, must provide for not less than thirty (30) days prior written notice to Greyhound of its termination, reduction of amount of coverage or material alteration of the policy and must be delivered to Greyhound prior to Greyhound's purchase of the Cars from the Manufacturer. The life insurance policy and the proceeds thereof shall be additional security for the prompt, complete, faithful and unconditional performance by Railtex of each and every, all and singular, obligation, duty, covenant and undertaking of Railtex under the Agreement during the Term of the Agreement. Railtex may fulfill its obligations to purchase a life insurance policy described herein by irrevocably assigning to Greyhound Railtex's interest as beneficiary to an additional \$150,000 of proceeds under an existing \$500,000 policy on the life of Bruce M. Flohr so that Greyhound shall have a total of \$300,000 of proceeds assigned to it by Railtex. Greyhound acknowledges that it has received an assignment of \$150,000.00 of proceeds under the existing \$500,000.00 policy pursuant to a previous lease transaction between Greyhound and Railtex. Railtex agrees that the earlier assignment of \$150,000 of proceeds shall continue in full force and effect during the Term of this Agreement notwithstanding the termination of the previous lease transaction.

35.(f) Railtex shall secure the due and proper execution and delivery by Mr. and Mrs. Bruce M. Flohr, husband and wife, to Greyhound of a Guarantee Agreement in favor of Greyhound and in form and substance satisfactory to counsel for Greyhound in which the Guarantors jointly and severally guarantee the full, prompt, complete and faithful performance, payment, observance and fulfillment by Railtex of all the obligations, covenants and conditions of the Agreement;

35.(g) Railtex shall have (i) entered into lease(s) for all the Cars, under terms and conditions in compliance with paragraph 18(a) hereof and (ii) assigned said lease(s) to Greyhound in accordance with paragraph 18(a) hereof.

35.(h) Greyhound shall have received Railtex's Other Additional Security in accordance with paragraph 36(a) hereof.

36. ADDITIONAL CONDITIONS PRECEDENT - OTHER SECURITY

36.(a) As an additional condition precedent to the performance by Greyhound of its obligations to sell the Cars hereunder, and as other additional security for the prompt, complete, faithful and unconditional performance by Railtex of each and every, all and singular obligation, duty, covenant, and undertaking of Railtex under this Agreement for the Term of said Agreement ("Other Additional Security"), Railtex shall: (i) execute and deliver a Chattel Mortgage and Security Agreement in form and substance attached hereto as Exhibit "D", which by this reference is incorporated herein as if fully set out in its entirety herein, covering ten (10) used aggregate rail cars having a forced liquidation value of at least One Hundred Seventy-One Thousand Dollars (\$171,000) as determined to the sole satisfaction of Greyhound ("Chattel Mortgage"); (ii) deposit with Greyhound a Certificate of Deposit from a bank acceptable to Greyhound in Greyhound's name in an amount of not less than Twenty-Nine Thousand Dollars (\$29,000) and (iii) (in addition to the installment payments to be made hereunder) make quarterly payments to Greyhound equal to fifty percent (50%) of Railtex's net after-tax cash flow for the just ended quarter within ten (10) days of the end of said quarter until such time as the total value of all of the Other Additional Security shall equal thirty-five percent (35%) of the Cost of the Cars. Said quarterly payments shall be accumulated by Greyhound and used to purchase Certificates of Deposit. For purposes of this paragraph, "net after-tax cash flow" shall be defined as after-tax net income plus all non-cash expenses, i.e., depreciation, amortization of original cost, goodwill, etc. In the event the ten (10) used aggregate cars do not have a forced liquidation value of at least \$171,000, Railtex will make up the difference between the forced liquidation value and the \$171,000 by increasing the amount of the Certificate of Deposit referred to in (ii) above so that the hereinbefore described forced liquidation value and the Certificate of Deposit shall equal a total of not less than twenty-five percent (25%) of the Cost of the Cars.

Provided Greyhound has in fact received Other Additional Security equal to thirty-five percent (35%) of the Cost of the Cars at the end of the fourth (4th) year of the Term of this Agreement and Railtex at the end of said fourth (4th) year of the Term of this Agreement and on each annual anniversary thereafter enters into or renews as lessor the lease(s) for all of the Cars for a term of not less than one (1) year at a rate of not less than \$19.00 per day per Car under terms and conditions in compliance with paragraph 18(a) hereof and assigns said subleases to Greyhound in accordance with paragraph 18(a) hereof; commencing at the end of said fourth (4th) year of the Term and on each annual anniversary thereafter, the Other Additional Security shall be reduced by the same percentage that the Stipulated Loss Value for the Cars declines during the year then ended. In the event Greyhound has not received Other Additional Security equal to thirty-five percent (35%) of the Cost of the Cars commencing with the fourth (4th) year, the reduction in the Other Additional Security shall not commence until such time as the Other Additional Security equals said thirty-five percent (35%) and all the other requirements regarding subleases in this paragraph 36(a) are met. Further, once Greyhound has received the Other Additional Security equal to thirty-five percent (35%) of the Cost of the Cars, in the event Railtex at any time after the end of the fourth (4th) year of the Term of this Agreement, after initially entering into or renewing sublease(s) in compliance with this paragraph 36(a) is unable to enter into or renew such sublease(s), the Other Additional Security shall cease being reduced on each annual anniversary until such time Railtex has entered into or renews sublease(s) in compliance with this paragraph 36(a). In addition, provided Greyhound has received Other Additional Security equal to thirty-five percent (35%) of the Cost of the Cars and Railtex has entered into or renewed subleases in compliance with this paragraph 36(a), upon Greyhound's receipt of any payments due it pursuant to paragraphs 5(b) and 14 hereof, Greyhound agrees to reduce the existing Other Additional Security by an amount calculated by dividing the amount received pursuant to paragraphs 5(b) and 14 by the total Cost of the Cars and multiplying that quotient by thirty-five percent (35%) of the Cost of the Cars. Greyhound, at its option, shall determine what

items of Other Additional Security shall be returned to Railtex pursuant to the reduction of such Other Additional Security hereunder.

36.(b) Unless and until an event of default shall occur and be continuing, Greyhound shall be entitled to hold the Other Additional Security as it sees fit; and, in the event that Railtex shall fully and faithfully perform and comply with all of the terms, covenants, conditions, obligations and duties on its part to be performed under this Agreement, then Greyhound shall (a) return such Other Additional Security to Railtex on the expiration of the Term of this Agreement and (b) remit the interest on the Certificates of Deposit to Railtex promptly on the receipt thereof by Greyhound from the issuing bank. However, in the event of the occurrence of a default by Railtex in its obligations to pay any sums due Greyhound under this Agreement, to perform any other of its obligations and duties under this Agreement or to honor its covenants and warranties under this Agreement, then Greyhound may, but is not obligated to, apply such Other Additional Security, and accrued interest thereon, if any, or any portion thereof, against any such obligations, duties, covenants and warranties of Railtex; and such application shall not in any way diminish or excuse the performance by Railtex of any of its obligations, duties, covenants and warranties under this Agreement; it being understood that Greyhound shall be entitled throughout the Term of the Agreement to hold and retain the Other Additional Security as set forth above.

NOTICE TO RAILTEX: (1) DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE; (2) YOU ARE ENTITLED TO AN EXACT, COMPLETELY FILLED-IN COPY OF THIS CONTRACT WHEN YOU SIGN IT; (3) YOU HAVE THE FOLLOWING RIGHTS, AMONG OTHERS (TO THE EXTENT THE APPLICABLE LAW REQUIRES): (A) TO REDEEM THE PROPERTY, IF REPOSSESSED FOR A DEFAULT, WITHIN THE TIME PROVIDED BY LAW; AND (B) TO REQUIRE, UNDER CERTAIN CONDITIONS, A RESALE OF THE PROPERTY IF REPOSSESSED; (4) RAILTEX HAS NO RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND TO OBTAIN A PARTIAL REBATE OF THE TIME SALE PRICE; (5) IF THE PROPERTY IS REPOSSESSED, RAILTEX HEREBY WAIVES NOTICE AND OPPORTUNITY FOR HEARING; AND (6) RAILTEX ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS CONDITIONAL SALE AND SECURITY AGREEMENT.

IN WITNESS WHEREOF, Greyhound and Railtex have caused this Agreement to be executed in their respective corporate names by their officers thereunto duly authorized and their corporate seal to be hereunto affixed and duly attested, all as of the day and year first above written.

RAILTEX, INC.

By *Ernest M. Flohr*
Its: PRESIDENT

By *Sauet Lennie Flohr*
Its: SECRETARY

(seal)

GREYHOUND LEASING & FINANCIAL CORPORATION

By *[Signature]*
Vice President

By *James R. Lummis*
Assistant Secretary

(seal)

EXHIBIT "A" TO CONDITIONAL SALE AND SECURITY AGREEMENT
BETWEEN
GREYHOUND LEASING & FINANCIAL CORPORATION
AND
RAILTEX, INC.
DATED AS OF JANUARY 9, 1979

CERTIFICATE OF INSPECTION AND ACCEPTANCE

RAILTEX, INC., ("Railtex") does hereby certify to GREYHOUND LEASING & FINANCIAL CORPORATION ("Greyhound") that the new Rapid Discharge Self-Cleaning Bottom Dump Rail Car(s), Model No. OC-5025, manufactured by Ortner ("Manufacturer"), bearing the identifying reporting marks and Car numbers of Railtex as follows:

TRAX (WRRC) 1025	TRAX (WRRC) 1038
TRAX (WRRC) 1026	TRAX (WRRC) 1039
TRAX (WRRC) 1027	TRAX (WRRC) 1040
TRAX (WRRC) 1028	TRAX (WRRC) 1041
TRAX (WRRC) 1029	TRAX (WRRC) 1042
TRAX (WRRC) 1030	TRAX (WRRC) 1043
TRAX (WRRC) 1031	TRAX (WRRC) 1044
TRAX (WRRC) 1032	TRAX (WRRC) 1045
TRAX (WRRC) 1033	TRAX (WRRC) 1046
TRAX (WRRC) 1034	TRAX (WRRC) 1047
TRAX (WRRC) 1035	TRAX (WRRC) 1048
TRAX (WRRC) 1036	TRAX (WRRC) 1049
TRAX (WRRC) 1037	

was (have been) delivered as of this 6 day of February, 1979 ("Delivery Date"), pursuant to the Conditional Sale and Security Agreement dated as of January 9, 1979, between Greyhound and Railtex (the "Agreement"); and the Agreement with respect to said Car(s) shall commence as of the said Delivery Date.

Railtex further certifies:

1. That during the manufacture of said Car(s) by the Manufacturer, Railtex, through qualified inspectors, inspected in accordance with inspection and testing practices and methods which, in their opinion, are adequate for the protection of Greyhound, the materials and other components incorporated in and the construction of said Car(s).

2. That the materials and other components incorporated in and the construction of said Car(s) comply fully with, and said Car(s) has (have) been completed in full accordance with, the Specifications referred to in the Purchase Order; and was (were) otherwise in all respects satisfactory and acceptable to Railtex on said Delivery Date;

3. That said Car(s) has (have) been delivered in good order and ready for service by the Manufacturer directly to Railtex and has (have) been accepted by Railtex as of the Delivery Date in accordance with the provisions of the Agreement;

4. That there was plainly, distinctly and conspicuously placed upon each side of the said Car(s) at the time of its (their) delivery and acceptance a legend bearing the following words in letters not less than one (1) inch in height:

"GREYHOUND LEASING & FINANCIAL CORPORATION,
PHOENIX, ARIZONA,
OWNER AND CONDITIONAL SELLER"

5. That the representations and warranties contained in paragraph 8(b) of the Agreement were true as of the Delivery Date, and that there has been no Event of Default as defined in paragraph 16(a) of the Agreement as of the Delivery Date.

DATED: FEBRUARY 6, 1979

RAILTEX, INC. ("Railtex")

By Bruce M. Alow
Its: PRESIDENT

EXHIBIT "B" TO CONDITIONAL SALE AND SECURITY AGREEMENT
BETWEEN
GREYHOUND LEASING & FINANCIAL CORPORATION
AND
RAILTEX, INC.

DATED JANUARY 9, 1979

Railtex shall maintain or cause to be maintained, with respect to its activities and operations in which the Cars shall be utilized, comprehensive general liability coverage including, but not limited to, bodily injury to any and all persons including employees and property damage liability insurance. All liability insurance policies shall be primary and without right of contribution from other insurance which is carried by Greyhound, shall name both Greyhound and Railtex as insureds, and shall expressly provide that all of the insurance provisions, except the limit of liability shall operate in the manner as if there were a separate policy covering each insured. Bodily injury and property damage liability insurance shall be in the amount of \$2,000,000.00 combined single limit. The insurance coverage described above covers liability of Railtex, including liability assumed under any contract or agreement arising out of any occurrence or occurrences caused or growing out of Railtex's operations anywhere in the world and/or operations incidental thereto.

EXHIBIT "C" TO CONDITIONAL SALE AND SECURITY AGREEMENT
BETWEEN
GREYHOUND LEASING & FINANCIAL CORPORATION
AND
RAILTEX, INC.

DATED AS OF JANUARY 9, 1979

Greyhound Leasing & Financial Corporation
Greyhound Tower
Phoenix, Arizona 85077

Gentlemen:

We are counsel to Railtex, Inc., a Texas corporation ("Railtex"), and have acted as such since Railtex's incorporation. We have acted as counsel for Railtex in connection with the execution and delivery of a Conditional Sale and Security Agreement ("Agreement") dated as of January 9, 1979, between Railtex and Greyhound Leasing & Financial Corporation, a Delaware corporation ("Greyhound"), under which Greyhound has agreed to sell to Railtex and Railtex has agreed to purchase from Greyhound certain railroad rolling stocks (the "Cars") upon the terms and conditions set forth therein.

In connection with the foregoing, we have examined originals, or copies certified to our satisfaction of all such corporation records and of all such agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinion herein set forth. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents. We have made a diligent effort in determining all relevant, factual and legal circumstances pertaining to this transaction and the opinion expressed in this letter.

The opinion expressed below is subject to the qualifications that (i) the enforceability of the rights and remedies of the parties to the Agreement is subject to the effect of any applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally in the event of the bankruptcy or insolvency of any party or applicability to any party of such other laws affecting creditors' rights generally; and (ii) the opinion expressed below is limited to federal law and the laws of the State of Texas.

You should further take notice that one of the partners in this firm is general counsel for Railtex, is a director and officer thereof, and together with three other partners in this firm, are shareholders of Railtex.

Based upon and subject to the foregoing and the qualifications and assumptions referred to above, we are of the opinion that:

1. Railtex is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and has the corporate power to own its assets and to transact the business in which it is engaged. Railtex is not qualified to do business as a foreign corporation in any jurisdiction and no such qualification is required.

2. The execution and delivery of the Agreement by Railtex and its assumption and undertaking of the obligations, duties and liabilities thereof have been duly authorized, and the Agreement is legal, valid, binding and enforceable against Railtex in accordance with its terms with Greyhound having a valid and enforceable first and senior perfected lien on the Cars, assuming full payment by Greyhound for the Cars. Nothing in the Agreement contravenes or is in violation of Texas law.

3. The rights of Greyhound as set forth in the Agreement and the title of Greyhound to the Cars when paid for in full by Greyhound will be free and clear of any and all liens, charges or security interests created (other than by an act of Greyhound) by any mortgage, security agreement or other instrument binding on Railtex.

4. To the best of counsel's knowledge and belief, Railtex is currently not in default under any other existing mortgage, indenture, contract, lease, agreement or other instrument or undertaking, order, decree, judgment of any court, arbitration or governmental authority known to counsel and to which it is a party or by which it is bound.

5. To the best of counsel's knowledge and belief, there is no provision in any existing mortgage, indenture, contract, lease or agreement known to counsel and binding on Railtex which would be contravened by the execution, delivery and performance by Railtex of the terms of the Agreement.

6. No consent of holders of any indebtedness known to counsel is or will be required as a condition to the validity of the Agreement.

7. No governmental authorizations, approvals or exemptions are required and no registration with any governmental agency or commission is necessary for the execution, delivery or performance of the Agreement or for the validity and enforceability thereof or for the sale of the Cars thereunder or for the installment payments and other terms and conditions therein provided.

8. The execution, delivery and performance of the Agreement will not contravene any provision of law, including without limitation thereto any statute, rule, regulation, or any judgment, decree, order, franchise or permit applicable to Railtex.

9. There is nothing contained in the Agreement as to substance and form that would prevent the filing and recording of the Agreement with the Interstate Commerce Commission and such public offices as are necessary for the full protection of the rights of Greyhound in the United States of America. Once filing and recordation has occurred, we will render a supplemental second opinion confirming such filing and recordation.

Very truly yours,

SUPPLEMENT ONE

Railtex agrees to pay to Greyhound either a Cash Sale Price of \$ 799,147.75 in immediately available funds on the date of the acceptance of the Cars listed on Schedule A attached hereto and made a part hereof from Greyhound or a Time Sale Price of \$ 1,577,197.55, which consists of a Time Price Differential (finance charge) of \$ 778,049.80, added to the Cash Sale Price of \$ 799,147.75.

If Railtex elects to purchase the Cars for the Time Sale Price, said price shall be paid in a total of one hundred twenty-one (121) installments consisting of one hundred twenty (120) consecutive monthly installments each being equal to 1.478 % of the Cash Sale Price of the Cars and the first installment being due and payable on the date Railtex accepts such Cars, i.e., the Delivery Date, and the remaining one hundred nineteen (119) installments shall be due and payable on the same date of each of the successive one hundred nineteen (119) months following thereafter and a one hundred twenty-first (121st) installment being equal to twenty percent (20%) of said Cash Sale Price being due and payable on the same date as the one hundred twentieth (120th) installment.

Railtex hereby elects to purchase the Equipment at the Time Sale Price and understands and agrees that the Time Price Differential (finance charge), as hereinabove specified, is not interest upon a loan of money or upon the forbearance of any debt.

IN WITNESS WHEREOF, the parties hereto have executed this Supplement One this 6 day of ~~January~~ ^{FEBRUARY}, 1979, to that certain Conditional Sale and Security Agreement dated January 9, 1979.

RAILTEX, INC.

By Bruce M. Flohr
Its: PRESIDENT

By Sauet Lennie Flohr
Its: SECRETARY

GREYHOUND LEASING & FINANCIAL CORPORATION

By Mark D. [Signature]
Vice President

By James O. [Signature]
Assistant Secretary

SCHEDULE A

Twenty-five (25) new Rapid Discharge TM Self Cleaning Bottom Dump Rail Cars manufactured by Ortner Freight Car Company, Model No. OC-⁵⁰²⁵~~3025~~ (100-Ton), Specification No. EX-279, having Road Numbers TRAX 1025-1049 inclusive.

Handwritten initials and scribbles, possibly including "TRAX" and "5025".

SCHEDULE B

STIPULATED LOSS VALUE

Railtex, Inc.

<u>Quarter</u>	<u>Percentage of Purchase Price</u>
1	101.84
2	102.07
3	102.18
4	102.19
5	102.14
6	101.97
7	101.68
8	101.27
9	100.74
10	100.09
11	99.32
12	98.42
13	97.41
14	96.27
15	95.02
16	93.64
17	92.14
18	90.53
19	88.79
20	86.93
21	84.95
22	82.85
23	80.63
24	78.28
25	75.82
26	73.24
27	70.53
28	67.71
29	64.76
30	61.70
31	58.51
32	55.20
33	51.78
34	48.23
35	44.56

36	40.77
37	36.86
38	32.82
39	28.67
40	24.40

Thereafter

0

"Stipulated Loss Value" shall mean a sum of money in an amount equal to the Cash Sale Price of the Cars or item thereof, as the case may be, multiplied by the percentage set forth on this Schedule B for the applicable period of the term of the Agreement in which the calculation of Stipulated Loss Value is made. The Stipulated Loss Value has been calculated on the premise that any and all installments of the Time Sale Price due for the applicable period and all prior periods of the term have been made by Railtex on or before the dates due.

Interstate Commerce Commission
Washington, D.C. 20423

5/4/79

OFFICE OF THE SECRETARY

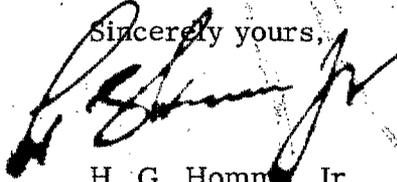
Lionel B. Fuller
Matthews, Nowlin, MacFarlane & Barrett
1500 Alamo Natl Bldg.
San Antonio, Texas 78205

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 **5/1/79** at **1:30pm** and assigned recordation number(s).

10328 & 10328-A

Sincerely yours,



H. G. Homn, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)