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INTERSTATE COMMERCE COMMISSION

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

STATE OF TEXAS)(
)(
COUNTY OF BEXAR)(

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

Dated: April 24, 1979.

Renee M. Moody
Notary Public in and for Bexar County, Texas

My Commission expires June 1, 1980.

CHATTEL MORTGAGE AND SECURITY AGREEMENT

THIS CHATTEL MORTGAGE 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. SECURITY INTEREST

In consideration of Greyhound agreeing to sell a total of twenty-five (25) railroad cars pursuant to a certain Conditional Sale and Security Agreement to be entered into between Greyhound and Railtex ("Sales Agreement") and to secure payment by Railtex of all sums due under said Sales Agreement and the performance of all Railtex's obligations thereunder, Railtex hereby grants and conveys to Greyhound a security interest (the "Security Interest") in ten (10) railroad cars ("Cars"), more particularly described and listed on Exhibit "A" hereto, which Exhibit is incorporated herein by reference, and any and all replacement parts thereto, and additions and accessions.

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. Greyhound's Security Interest in the Cars shall be held and retained by Greyhound until Railtex has paid all the sums due under the Sales Agreement and has performed its covenants, duties and obligations under the Sales Agreement, all in accordance with the terms and conditions therein contained.

2. TERM

The term of this Agreement ("Term") shall be the same as the term set forth in the Sales Agreement.

3. PAYMENTS

Any and all taxes, 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") against the Cars, or upon or measured by the use, ownership, possession, or operation thereof, or upon or in connection with or measured by this Agreement or incident to the Security Interest granted and conveyed herein shall be promptly paid by Railtex. Railtex 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 lien of Greyhound on such Cars or result in a lien upon the Cars.

4. COVENANTS, REPRESENTATIONS AND WARRANTIES

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.

(iii) Except for the lien of Greyhound, the Cars are free and clear of any and all liens, charges or security interests created 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, 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 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.

5. 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.

6. IDENTIFICATION OF CARS

6.(a) 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, SECURED PARTY"

6.(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 lien thereon 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.

6.(c) Railtex agrees to cause to be placed on each side of the Car 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.

7. MAINTENANCE AND LIENS

7.(a) 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.

7.(b) 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.

7.(c) Any part installed or replacements made by Railtex upon the Cars shall be considered accessions to the Cars except that this shall not apply to special equipment installed on the Cars by Railtex with the consent of Greyhound.

7.(d) 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 security interest of Greyhound in and to the Cars.

8. INSURANCE

8.(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 Fair Market 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.

8.(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.

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

(i) Be held by Greyhound in the case of the loss, destruction or damage beyond repair of the Cars as "Other Additional Security," as defined in the Sales Agreement.

(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 11.

8.(d) 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 until Railtex's obligation under this Agreement with respect to the Cars having been discharged.

8.(e) 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.

8.(f) 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. The Railtex shall furnish Greyhound or Greyhound's assignee with certificates or other satisfactory evidence of the maintenance of the insurance required hereunder.

9. 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 replace such lost, stolen destroyed, damaged, appropriated, requisitioned, taken over or nationalized Cars with personal property or equipment having at least an equivalent value, such value to be determined by Greyhound, until such time as Greyhound shall have received the proceeds of insurance resulting from such Loss.

10. COMPLIANCE WITH LAWS AND RULES, AND INDEMNIFICATION

10.(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.

10.(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 hereunder.

10.(c) Railtex agrees to assume all risks and liability for the Cars 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.

11. DEFAULT AND REMEDIES

11.(a) Greyhound shall have the benefit of the remedies stated in paragraph 11.(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 Sales Agreement or of any sums 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 in the Sales Agreement or 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.

11.(b) If one or more of Events of Default set forth in paragraph 11(a) hereof should occur, the entire balance of the "Time Sale Price" then remaining due under the Sales Agreement automatically shall become due and payable immediately, without further demand, protest or notice of any kind to Railtex. In addition, on Railtex's default under the Sales Agreement or 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.

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

12.(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 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.

12.(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 under the Sales Agreement or hereunder or any expense incurred by Greyhound because of such Default.

13. ASSIGNMENT

13.(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.

13.(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 12 above. Any sale, assignment, transfer, encumbrance or lease prohibited by this paragraph 13 shall be void.

14. REPORT AND RIGHT TO INSPECT THE CARS

14.(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.

14.(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.

14.(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 and repaired in accordance with paragraph 7 hereof, and that the legends placed on the Cars as required by paragraph 6 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 6 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.

14.(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 adverse change in the business or condition (financial or otherwise) of Railtex.

14.(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.

15. RETURN OF THE CARS

15.(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 the date hereof, 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 Greyhound directs. 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.

15.(b) Without in any way limiting the obligation of Railtex under the foregoing provisions of this paragraph 15, 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. SURVIVAL OF COVENANTS

Any other provisions contained in this Agreement to the contrary notwithstanding, it is hereby agreed that the provisions of paragraphs 7(b), 8(c), 10(c), 11, 15, 19 and 20 shall survive the expiration or termination hereof.

22. SUCCESSORS AND ASSIGNS

Subject to the provisions of paragraph 13, 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.

23. 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.

24. GENERAL

This Agreement and the Security Interest in the Cars created hereby shall terminate when the obligations of Railtex hereunder or secured hereby have been paid and satisfied in full. Time is hereby declared to be the essence of this Agreement. Greyhound shall deliver to Railtex a Release of the Security Interest created hereby on appropriate UCC Forms when the obligations of Railtex hereunder have been paid and satisfied in full.

25. 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 Chattel Mortgage 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.

26. DOCUMENTS

As soon hereafter as feasible, and in any event prior to Greyhound's purchase of the Cars pursuant to the Sales Agreement, 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:

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

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

26.(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 8 above.

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

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

26.(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.

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 _____
Its: PRESIDENT

By _____
Its: SECRETARY

(seal)

GREYHOUND LEASING & FINANCIAL CORPORATION

By _____
Vice President

By _____
Assistant Secretary

(seal)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this 13th day of ~~January~~ FEBRUARY, 1979, before me, the undersigned Notary Public, personally appeared Martin G. Roth and James N. Dunnum, known to me to be the persons whose names are subscribed to the foregoing instrument and to be the Vice President and Assistant Secretary, respectively, of Greyhound Leasing & Financial Corporation, and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Sharon Williams
Notary Public

My Commission Expires:

My Commission Expires [illegible]

STATE OF TEXAS)
) ss.
COUNTY OF BEXAR)

On this 6th day of February, 1979, before me, the undersigned Notary Public, personally appeared Bruce M. Flohr and Janet Lennee Flohr, known to me to be the persons whose names are subscribed to the foregoing instrument and to be the President and Secretary, respectively, of Railtex, Inc., and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Susan E. Tyree
Notary Public

SUSAN E. TYREE
Notary Public, Bexar County, Texas

My Commission Expires:

6-1-79

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

Ten (10) used, open top hopper rail cars having AAR Mechanical Designation HT, AAR Car Type Code H150, having Road Numbers TRAX 100 through 109 inclusive.

EXHIBIT "B" TO CHATTEL MORTGAGE 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 Chattel Mortgage and Security Agreement ("Agreement") dated as of January 9, 1979, between Railtex and Greyhound Leasing & Financial Corporation, a Delaware corporation ("Greyhound"), under which Railtex has given to Greyhound a first and senior security interest in 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. Nothing in the Agreement contravenes or is in violation of Texas law.

3. Title to the Cars 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.

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 known to Counsel 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,

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

DATED AS OF 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.