

15491

BUTLER & BINION
1600 FIRST INTERSTATE BANK PLAZA
1000 LOUISIANA
HOUSTON, TEXAS 77002-5008
(713) 237-3111
TELEX 775532 (WU) 3787815 (FNET)
TELECOPIER 237-3201 237-3202

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING
PROFESSIONAL CORPORATIONS

FIRST REPUBLICBANK CENTER
DALLAS, TEXAS 75201
(214) 220-3100

1747 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 466-8900

July 25, 1988

Interstate Commerce Commission
12th and Constitution Avenues, N.W.
Room 2303
Washington, D.C. 20423

Attention: Mildred Lee

Re: Document for Recordation

Dear Ms. Lee:

I have enclosed an original and one signed copy of a Supplement No. 1 to Security Agreement (Incurring Indebtedness and Adding Collateral), a second secondary document, to be recorded pursuant to 49 U.S.C. §11303. This document is dated May 2, 1988 and is submitted in reference to an I.C.C. recorded Security Agreement, I.C.C. recordation number 15491.

The names and addresses of the parties to this document are as follows:

Debtor: RailTex, Inc.
4901 Broadway, Suite 231
San Antonio, Texas 78209

Secured Party: First Interstate Bank of Texas, N.A.
Post Oak/Waugh
P.O. Box 4401
Houston, Texas 77210-4401

A description of the equipment covered by the Supplement No. 1 to Security Agreement is described in clause (c) on page 2.

A recording fee of \$10.00 is enclosed to cover the cost of recording this Supplement No. 1 to Security Agreement.

Please return the original and any extra copies not needed by the I.C.C. to the undersigned at Butler & Binion, 1600 First Interstate Bank Plaza, 1000 Louisiana, Houston, Texas 77002-5008.

RECORDATION NO. 15491A

AUG 15 1988 4:45 PM

INTERSTATE COMMERCE COMMISSION

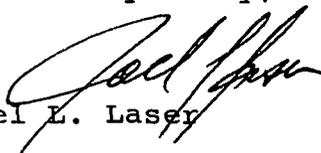
Interstate Commerce Commission
July 25, 1988
Page 2

A short summary of the document to appear in the index is as follows:

Supplement No. 1 to Security Agreement between RailTex, Inc., 4901 Broadway, Suite 231, San Antonio, Texas 78209 ("Debtor"), as Debtor, and First Interstate Bank of Texas, N.A., Post Oak/Waugh, successor by merger to Allied Bank of Texas, P.O. Box 4401, Houston, Texas 77210-4401 ("Secured Party"), as Secured Party, dated May 2, 1988, by which Debtor and Secured Party supplemented the terms and conditions of that certain Security Agreement dated May 29, 1988, recordation number 15491, by and between Debtor and Allied Bank of Texas ("ABOT"), covering railcars.

If you have any questions regarding this matter, or if you need additional information, please call me at 713-237-3156.

Yours very truly,


Joel L. Laser

MWHI189/19
279838-33

cc: Mr. Joseph H. Argue, III
President
First Interstate Bank
of Texas, N.A.
Post Oak/Waugh
P.O. Box 4401
Houston, Texas 77210-4401

BUTLER & BINION
1600 FIRST INTERSTATE BANK PLAZA
1000 LOUISIANA
HOUSTON, TEXAS 77002-5008
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TELECOPIER 237-3201 237-3202

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING
PROFESSIONAL CORPORATIONS

MICHAEL W. HILLIARD
PARTNER
(713) 237-3629

FIRST REPUBLICBANK CENTER
DALLAS, TEXAS 75201
(214) 220-3100

1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20006
(202) 466-6900

August 5, 1988

Interstate Commerce Commission
12th and Constitution Avenues, N.W.
Room 2303
Washington, D.C. 20423

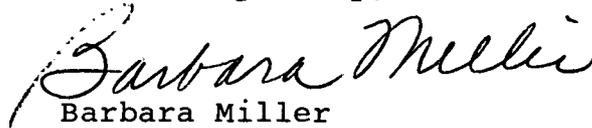
Attention: Mildred Lee

Re: Document for Recordation

Dear Ms. Lee:

I have enclosed our check in the amount of \$3.00 as additional recording fees for Supplement No. 1 to Security Agreement between Railtex, Inc., as Debtor, and First Interstate Bank of Texas, N.A., Post Oak/Waugh, as Secured Party.

Yours very truly,



Barbara Miller
Secretary to Joel L. Laser

MWHI198-5
279838-33

Interstate Commerce Commission
Washington, D.C. 20423

8/15/88

OFFICE OF THE SECRETARY

Joel L. Laser
Butler & Binion
1600 First Interstate Bank Plaza
1000 Louisiana
Houston, Texas 77002-5008

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 8/15/88 at 2:45pm, and assigned recordation number(s). 15491-A

Sincerely yours,

Narta R. McEuen
Secretary

Enclosure(s)

RECORDED BY 15491/A
AUG 15 1988 2 40 PM
INTERSTATE COMMERCE COMMISSION

RAILTEX, INC.

SUPPLEMENT NO. 1 TO SECURITY AGREEMENT
(Increasing Indebtedness and Adding Collateral)

This Supplement No. 1 to Security Agreement, dated May 2, 1988, is made by RAILTEX, INC., a Texas corporation, with its principal office at 4901 Broadway, Suite 231, San Antonio, Texas 78209, hereinafter called "Debtor," herein acting by and through its duly authorized officer, and FIRST INTERSTATE BANK OF TEXAS, N.A., successor by merger to ALLIED BANK WEST, with its principal office in Houston, Harris County, Texas ("Secured Party").

W I T N E S S E T H:

WHEREAS, Debtor previously executed and delivered that certain Security Agreement, dated May 29, 1987 (the "Security Agreement") covering rail cars described therein to secure the present and future indebtedness of Debtor to Secured Party described therein (the "Obligations").

WHEREAS, the Security Agreement was duly recorded at 10:48 A.M. on February 11, 1988, under Recordation No. 15491 of the Records of the Interstate Commerce Commission; and

WHEREAS, Secured Party is the present owner and holder of the Obligations; and

WHEREAS, Secured Party and Debtor desire to amend the Security Agreement to (1) reflect the renewal, increase, extension and rearrangement of the note described in Section A.(i) of

the Security Agreement, but not novation or discharge thereof, and the cross-collateralization of all of said Indebtedness by the Security Agreement and (2) add collateral thereto;

NOW THEREFORE, for and in consideration of the mutual premises, covenants and agreements herein contained, the parties hereto agree as follows, intending to be legally bound:

Section 1. Supplements. The Security Agreement is hereby supplemented as follows:

(a) The definition of "Secured Party" in the Security Agreement is hereby supplemented to provide the "Secured Party" shall mean "First Interstate Bank of Texas, N.A." First Interstate Bank of Texas, N.A. is the successor by merger to Allied Bank West.

(b) Section A is supplemented by inserting the following after clause (ii):

";(iii) that certain promissory note dated May 2, 1988, executed by Debtor and payable to the order of Secured Party, and all extensions, renewals, modifications and rearrangements thereof;"

and by substituting "(iv)" for "(iii)" in the original text thereof.

(c) Section A is further supplemented by adding the following as the final sentence thereof:

"The note described in clause (iii) of the first paragraph hereof is given in renewal, extension, rearrangement and increase of the note described in clause (i) above and not in novation or discharge thereof."

(d) The first paragraph of Section C is amended by deleting the word "and" at the end of the clause (iv), by deleting the period at the end of clause (v) thereof and inserting a semi-colon and the word "and" in lieu thereof and by adding the following thereto:

"(vi) 100 used open-top hopper railcars, 100-ton capacity, 2300 cubic feet capacity, manufactured by Portec, Inc. marked with UMLER road numbers TRAX 2000 through 2099 (inclusive)."

Section 2. Continuing Force and Effect. Debtor and Secured Party hereby further agree that all other terms and conditions of the Security Agreement shall remain in full force and effect as originally written.

Section 3. Confirmation. Debtor confirms that it has granted (and hereby grants) a security interest in the Collateral (as defined in the Security Agreement) to secure the Obligations.

IN WITNESS WHEREOF, Debtor and Secured Party have executed and delivered this Supplement No. 1 as of the date first above written.

FIRST INTERSTATE BANK
OF TEXAS, N.A.
Post Oak/Waugh

RAILTEX, INC.

By Joe Riquie
President
"SECURED PARTY"

By DR Keene
Vice President
"DEBTOR"

