

LAW OFFICES
McCAMISH, MARTIN & LOEFFLER
A PROFESSIONAL CORPORATION

1-343A042

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555 13TH STREET, NW
WASHINGTON, D.C. 20004
(202) 628-5665
TELECOPIER (202) 628-5608

1200 REPUBLIC OF TEXAS PLAZA
175 E. HOUSTON
P.O. BOX 2999
SAN ANTONIO, TEXAS 78299-2999
(512) 225-5500
TELECOPIER (512) 225-1283

SUITE 2060
98 SAN JACINTO BLVD.
AUSTIN, TEXAS 78701
(512) 322-5500
TELECOPIER (512) 322-5515

December 8, 1991

RECORDED NO 17646 FILED 12/9
DEC 9 1991 11:45 AM

Secretary
Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N. INTERSTATE COMMERCE COMMISSION
Washington, DC 20423

Dear Secretary:

I have enclosed three (3) originals of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Subordination Agreement, a primary document, dated October 25, 1991.

Names and addresses of the parties to the document are as follows:

Secured Party:

TEXAS SOUTHERN RAILROAD, INC.
c/o Willard King
8620 N. New Braunfels, Suite 541
San Antonio, Texas 78217

Subordinating Parties:

TRANSCISCO INDUSTRIES, INC.
555 California Street, Suite 2420
San Francisco, CA 94104

TRANSCISCO RAIL SERVICES COMPANY
1000 N. Alamo
San Antonio, Texas 78215

The equipment covered by the document is described as follows:

F. R. Newberry
[Signature]

CEC 9 11:39 AM '91

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A PROFESSIONAL CORPORATION

Secretary
Interstate Commerce Commission
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1. Ex-SF 1389, Budd 1941, Lot 96907, Bar 48 seat Lounge, Newsstand, Nurse Room
2. Ex-NYC 406, Budd 1947, Lot 9610-023, 68-seat Dinner Table Car
3. EX-IC 4128, Pullman Standard 1950, Plan 7605, 68-seat Dining Car
4. EX-IC 4128A, Pullman Standard 1950, Plan 7607, Kitchen Dormitory
5. EX-WP ATSF 1371 (Nambe) 25-seat Club Lounge/Dormitory Lot #979
6. EX-WP 812 (Silver Feather) California Zephyr 70-seat Dome Coach/Lounge, Lot #9656-021
7. EX-CO 1920 48 Seat Diner - BE-OBSERVATION, Lot 9672-017
8. EX-ATSF 500 63 Seat Dome Club Lounge, Lot 6836

including all proceeds, revenues and rents of any and all types from any sale, lease, or other disposition thereof and all leases pertaining thereto.

A fee of \$16.00 is enclosed. Please return the original, stamped with recording verification, and any extra copies not needed by the Commission for recordation to:

McCamish, Martin & Loeffler, P.C.
Attention: O. Jerrold Winski
175 East Houston Street, Suite 1200
P. O. Box 2999
San Antonio, Texas 78299-2999

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

Subordination Agreement between Texas Southern Railroad, Inc., c/o Willard King, 8620 N. New Braunfels, Suite 841, San Antonio, Texas 78217, Transcisco Industries, Inc., 555 California Street, Suite 2420, San Francisco, CA 94104; and Transcisco Rail Services Company, 1000 N. Alamo, San Antonio,

LAW OFFICES
McCAMISH, MARTIN & LOEFFLER
A PROFESSIONAL CORPORATION

Secretary
Interstate Commerce Commission
Page 3

Texas 78215, Debtor; dated October 25, 1991 and covering eight (8) railroad cars as follows:

1. Ex-SF 1389, Budd 1941, Lot 96907, Bar 48 seat Lounge, Newsstand, Nurse Room
2. Ex-NYC 406, Budd 1947, Lot 9610-023, 68-seat Dinner Table Car
3. EX-IC 4128, Pullman Standard 1950, Plan 7605, 68-seat Dining Car
4. EX-IC 4128A, Pullman Standard 1950, Plan 7607, Kitchen Dormitory
5. EX-WP ATSF 1371 (Nambe) 25-seat Club Lounge/Dormitory Lot #979
6. EX-WP 812 (Silver Feather) California Zephyr 70-seat Dome Coach/Lounge, Lot #9656-021
7. EX-CO 1920 48 Seat Diner - BE-OBSERVATION, Lot 9672-017
8. EX-ATSF 500 63 Seat Dome Club Lounge, Lot 6836

including all proceeds, revenues and rents of any and all types from any sale, lease, or other disposition thereof and all leases pertaining thereto.

Thank you for your assistance in this transaction. Please contact me if you have any questions or additional requirements.

Sincerely,

MCCAMISH, MARTIN & LOEFFLER, P.C.

BY: 

O. Jerrold Winski

Attorney for Texas Southern
Railroad, Inc.

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/9/91

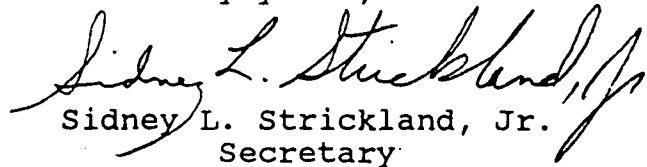
OFFICE OF THE SECRETARY

O'Jerrold Winski
McCamish, Martin, & Loeffler
1200 Republic Of Texas Plaza
175 E. Houston
P.O. Box 2999
San Antonio Texas 78299.-2999

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 12/9/91 at 11:45am, and assigned recordation number(s). 17616

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17616

DEC 9 1991 -11 45 AM

INTERSTATE COMMERCE COMMISSION

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made as of the 25th day of October, 1991, in favor of Texas Southern Railroad, Inc. ("Southern") by Transcisco Industries, Inc. and Transcisco Rail Services Company, jointly and severally (collectively "Transcisco"), and Transcisco Texan Railway, Inc. ("Texan"):

W I T N E S S E T H:

In order to induce Southern to enter into that certain Extension, Modification and Release Agreement (the "Extension Agreement") dated as of the 25th day of October, 1991, by and between Texan and Southern, Transcisco and Texan agree, for the benefit of Southern, as follows:

(1) Transcisco hereby subordinates the lien and priority of Transcisco's security interest, liens and encumbrances set forth on Exhibit A attached hereto and made a part hereof, which secure certain indebtedness of Texan to Transcisco (the "Subordinated Indebtedness") to the security interest of Southern created by that certain Security Agreement - Equipment ("Security Agreement") executed by Texan as Debtor, and Southern as Secured Party, dated the 25th day of October, 1991, executed and delivered in conjunction with the execution and delivery of the Extension Agreement and pertaining to the collateral set forth in Exhibit B attached hereto and made a part of this Agreement.

(2) So long as all or any part of the Indebtedness (as defined in the Security Agreement) remains unpaid, Transcisco shall not, without not less than ten (10) day prior written notice to Southern accelerate the Subordinated Indebtedness or declare a default under any of the documentation which secures the Subordinated Indebtedness or foreclose any security interest which secures the payment of the Subordinated Indebtedness.

(3) Transcisco and Texan agree that they shall promptly execute such further documents and acknowledgments as Southern may require to confirm or evidence their respective obligations or Southern's rights under this Agreement, including UCC-3 financing statements.

(4) Transcisco hereby agrees that at any time and from time to time, Southern may, without further consent of Transcisco and without in any manner impairing or releasing the provisions of this Agreement, extend, release or waive Texan's Indebtedness to Southern.

(5) This Agreement shall continue until all of the Indebtedness of Texan to Southern has been satisfied.

(6) This Agreement shall be binding upon Transcisco and Texan, their respective successors and assigns, and shall inure to the benefit of Southern and Southern's successors and assigns.

(7) This Agreement shall be governed and construed in accordance with the laws of the State of Texas and shall be deemed to have been executed, delivered and accepted in the State of Texas.

(8) All notices pursuant to this Agreement shall be deemed to have been given or made when delivered by hand, or five (5) days after the date when deposited in the mail, postage prepaid, by registered or certified mail, return receipt requested, or in the case of telegraphic notice, when properly transmitted, or when sent by overnight courier, when delivered to such overnight courier addressed as follows or to such address as may be hereafter designated, in writing, by one party to the other:

Transcisco:

Transcisco Industries, Inc.
555 California Street, Suite 2420
San Francisco, CA 94104

Transcisco Rail Services Company
1000 North Alamo Street
San Antonio, TX 78215

Texan:

Transcisco Texan Railway, Inc.
1000 North Alamo Street
San Antonio, TX 78215

Southern:

Texas Southern Railroad, Inc.
c/o Willard King
8620 N. New Braunfels, #541
San Antonio, TX 78217

(8) This Agreement is conditioned upon obtaining the necessary approval of the United States Bankruptcy Court, Northern District of California, Case Number: 91-32674TC, titled "In Re Transcisco Industries, Inc."

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

TRANSCISCO INDUSTRIES, INC.

BY: [Signature]
Name: Robert W. Laversin
Title: Vice President

TRANSCISCO RAIL SERVICES COMPANY

BY: [Signature]
Name: Timothy P. Carlson
Title: Pres.

TRANSCISCO TEXAN RAILWAY, INC.

BY: [Signature]
Name: Nicholas G. Atkeson
Title: General Manager

TEXAS SOUTHERN RAILROAD, INC.

BY: [Signature]
Willard King,
Authorized Representative

EXHIBIT A

SUBORDINATED SECURITY INTEREST

<u>DEBTOR</u>	<u>SECURED PARTY</u>	<u>UCC INSTRUMENT NO.</u>	<u>UCC FILING DATE</u>	<u>NOTE DATE</u>	<u>ORIGINAL PRINCIPAL AMOUNT OF NOTE</u>
Transcisco Texan Railway, Inc.	Transcisco Industries, Inc.	9100155752	August 12, 1991	August 1, 1991	\$1,230,550.63
Transcisco Texan Railway, Inc.	Transcisco Rail Services Company	9100155750	August 12, 1991	August 1, 1991	\$ 245,684.66

EXHIBIT B

1. Ex-SF 1389, Budd 1941, Lot 96907, Bar 48 seat Lounge, Newsstand, Nurse Room
2. Ex-NYC 406, Budd 1947, Lot 9610-023, 68-seat Dinner Table Car
3. EX-IC 4128, Pullman Standard 1950, Plan 7605, 68-seat Dining Car
4. EX-IC 4128A, Pullman Standard 1950, Plan 7607, Kitchen Dormitory
5. EX-WP ATSF 1371 (Nambe) 25-seat Club Lounge/Dormitory Lot #979
6. EX-WP 812 (Silver Feather) California Zephyr 70-seat Dome Coach/Lounge, Lot #9656-021
7. EX-CO 1920 48 Seat Diner - BE-OBSERVATION, Lot 9672-017
8. EX-ATSF 500 63 Seat Dome Club Lounge, Lot 6836

including all proceeds, revenues and rents of any and all types from any sale, lease, or other disposition thereof and all leases pertaining thereto.

OJW.ML/ACKNOWLEDGE

STATE OF TEXAS *
 *
COUNTY OF BEXAR *

This instrument was acknowledged before me on the 25th day of OCTOBER, 1991, by WILLARD KING, Authorized Representative of Texas Southern Railroad, Inc., for and on behalf of said Corporation.



Antonia E. Gifford
Notary Public, State of Texas

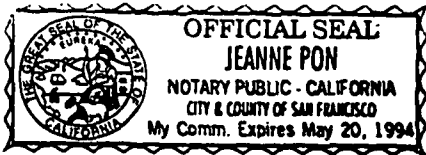
ANTONIA E. GIFFORD
Printed Name of Notary

My commission expires: 12-15-91

OJW.ML/ACKNOWLEDGE

STATE OF CALIFORNIA *
*
COUNTY OF SAN FRANCISCO *

This instrument was acknowledged before me on the 20th day of December, 1991, by ROBERT W. LAVERSIN, Vice President of Transcisco Industries, Inc., for and on behalf of said Corporation.



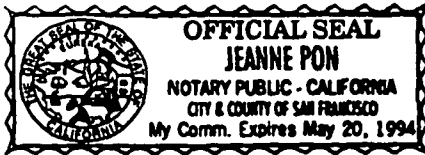
Jeanne Pon
Notary Public, State of California

JEANNE PON
Printed Name of Notary

My commission expires: May 20, 1994

STATE OF CALIFORNIA *
*
COUNTY OF SAN FRANCISCO *

This instrument was acknowledged before me on the 20th day of December, 1991, by TIMOTHY P. CARLSON, President of Transcisco Rail Services Company, for and on behalf of said Corporation.



Jeanne Pon
Notary Public, State of California

JEANNE PON
Printed Name of Notary

My commission expires: May 20, 1994