

First Valley Bank

MCALLEN

RECORDATION No *20601*

February 11, 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue Northwest
Washington, DC 20423-0001

Re: Texas Railcar Leasing, Inc.

Dear Mr. Williams:

I have enclosed an original and one certified copy of the documents described below to be recorded pursuant to Section 11303, Title 49 of the U. S. Code.

The document described is a Security Agreement, being a primary document, dated February 10, 1997. A description of the equipment covered by the document is as follows:

1. Eighteen (18) covered top hopper railcars identified as follows:

TRLX97317	TRLX97322	TRLX97348
TRLX97365	TRLX97385	TRLX97408
TRLX97452	TRLX97470	TRLX97516
TRLX97525	TRLX97548	TRLX97550
TRLX97598	TRLX97600	TRLX97614
TRLX97632	TRLX97634	TRLX97645

2. Six (6) D.O.T. 11A100W1, 26,000 approximate gallonage tank cars equipped with 100 ton trucks identified with specific car numbers as follows:

TRLX26830	TRLX26838	TRLX26840
TRLX26846	TRLX26851	TRLX26862

MAR 26 11 40 AM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

Mr. Vernon Williams, Secretary
Surface Transportation Board
February 11, 1997
Page 2

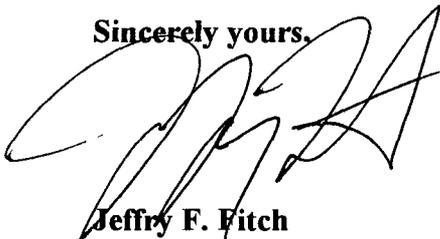
3. Debtor's rights, title, and interest in and to Railroad Car Lease Agreement No. 92/0004 between Texas Railcar Leasing Company, Inc. and Jansen Rail Car, Inc., on September 9, 1992.

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Jeffrey F. Fitch, Executive Vice President, First Valley Bank, P. O. Box 2708, McAllen, Texas 78502-2708.

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

A Security Agreement between Texas Railcar Leasing Company, Inc., P. O. Box 1330, McAllen, Texas 78502-2708 and First Valley Bank, McAllen, Texas, dated February 10, 1997, covering 18 covered top hopper railcars; six (6) D.O.T. 11A100W1, 26,000 approx. gallonage tank cars equipped with 100 ton trucks; and Debtor's rights, title, and interest in and to Railroad Car Lease Agreement No. 92/0004 between Texas Railcar Leasing Company, Inc. and Jansen Rail Car, Inc. on September 9, 1992.

Sincerely yours,

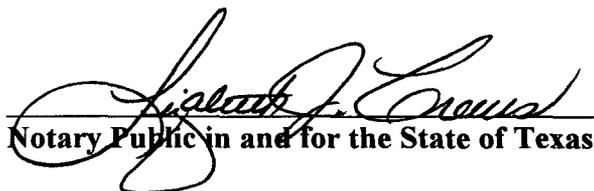
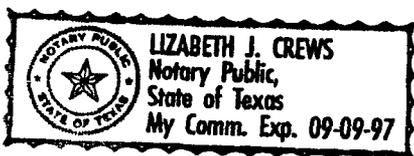


Jeffrey F. Fitch
Executive Vice President

JFF/bc

STATE OF TEXAS
COUNTY OF HIDALGO

This instrument was acknowledged before me on the 10th day of February, 1997, by Jeffrey F. Fitch, Executive Vice President of First Valley Bank, McAllen, Texas, on behalf of said corporation.



Notary Public in and for the State of Texas

TEXAS RAILCAR LEASING COMPANY, INC.
P O BOX 1330
MCALLEN TX 78502-1330
DEBTOR'S NAME, ADDRESS AND SSN OR TIN
("I" means each Debtor who signs.)

FIRST VALLEY BANK-MCALLEN
120 W NOLANA
MCALLEN TEXAS 78502
SECURED PARTY'S NAME AND ADDRESS
("You" means the Secured Party, its successors and assigns.)

RECEIVED
SECURED PARTY
16 MAR 1997

I am entering into this security agreement with you on February 06, 1997 (Date).

SECURED DEBTS. I agree that this security agreement will secure the payment and performance of the debts, liabilities or obligations described below that (Check one) I (name) TEXAS RAILCAR LEASING COMPANY, INC.

(Check one below): _____ owe(s) to you now or in the future:

Specific Debt(s). The debt(s), liability or obligations evidenced by (describe): _____ and all extensions, renewals, refinancings, modifications and replacements of the debt, liability or obligation.

All Debt(s). Except in those cases listed in the "LIMITATIONS" paragraph on page 2, each and every debt, liability and obligation of every type and description (whether such debt, liability or obligation now exists or is incurred or created in the future and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several).

Security Interest. To secure the payment and performance of the above described Secured Debts, liabilities and obligations, I give you a security interest in all of the property described below that I now own and that I may own in the future (including, but not limited to, all parts, accessories, repairs, improvements, and accessions to the property), wherever the property is or may be located, and all proceeds and products from the property.

Inventory: All inventory which I hold for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in my business.

Equipment: All equipment including, but not limited to, all machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, and parts and tools. All equipment described in a list or schedule which I give to you will also be included in the secured property, but such a list is not necessary for a valid security interest in my equipment.

Farm Products: All farm products including, but not limited to:
(a) all poultry and livestock and their young, along with their products, produce and replacements;
(b) all crops, annual or perennial, and all products of the crops; and
(c) all feed, seed, fertilizer, medicines, and other supplies used or produced in my farming operations.

Accounts, Instruments, Documents, Chattel Paper and Other Rights to Payment: All rights I have now and that I may have in the future to the payment of money including, but not limited to:
(a) payment for goods and other property sold or leased or for services rendered, whether or not I have earned such payment by performance; and
(b) rights to payment arising out of all present and future debt instruments, chattel paper and loans and obligations receivable. The above include any rights and interests (including all liens and security interests) which I may have by law or agreement against any account debtor or obligor of mine.

General Intangibles: All general intangibles including, but not limited to, tax refunds, applications for patents, patents, copyrights, trademarks, trade secrets, good will, trade names, customer lists, permits and franchises, and the right to use my name.

Government Payments and Programs: All payments, accounts, general intangibles, or other benefits (including, but not limited to, payments in kind, deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance payments, diversion payments, and conservation reserve payments) in which I now have and in the future may have any rights or interest and which arise under or as a result of any preexisting, current or future Federal or state governmental program (including, but not limited to, all programs administered by the Commodity Credit Corporation and the ASCS).

The secured property includes, but is not limited by, the following: SEE SCHEDULE "A" ATTACHED HERETO AND MADE A PART HEREOF.

If this agreement covers timber to be cut, minerals (including oil and gas), fixtures or crops growing or to be grown, the legal description is:

I am a(n) individual partnership corporation

If checked, file this agreement in the real estate records.

Record Owner (if not me): _____

The property will be used for personal business agricultural _____ reasons.

FIRST VALLEY BANK-MCALLEN
(Secured Party's Name)
By: [Signature]
JEFFRY F. FITCH
Title: EXECUTIVE VICE PRESIDENT

I AGREE TO THE TERMS SET OUT ON BOTH PAGE 1 AND PAGE 2 OF THIS AGREEMENT. I have received a copy of this document on today's date.

TEXAS RAILCAR LEASING COMPANY, INC.
(Debtor's Name)
By: [Signature]
HENRY NOVELL

Title: PRESIDENT
I, JEFFRY F. FITCH, EXECUTIVE VICE PRESIDENT OF FIRST VALLEY BANK, MCALLEN, TEXAS, DO
By: HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL DOCUMENT.
Title: [Signature]

SCHEDULE "A"

- 1. Eighteen (18) covered top hopper railcars identified as follows:**

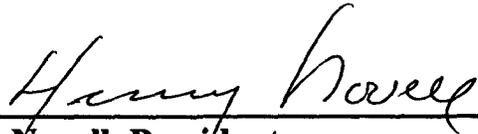
TRLX97317	TRLX97322	TRLX97348
TRLX97365	TRLX97385	TRLX97408
TRLX97452	TRLX97470	TRLX97516
TRLX97525	TRLX97548	TRLX97550
TRLX97598	TRLX97600	TRLX97614
TRLX97632	TRLX97634	TRLX97645

- 2. Six (6) D.O.T. 11A100W1, 26,000 approximate gallonage tank cars equipped with 100 ton trucks identified with specific car numbers as follows:**

TRLX26830	TRLX26838	TRLX26840
TRLX26846	TRLX26851	TRLX26862

- 3. Debtor's rights, title, and interest in and to Railroad Car Lease Agreement No. 92/0004 between Texas Railcar Leasing Company, Inc. and Jansen Rail Car, Inc., on September 9, 1992.**

TEXAS RAILCAR LEASING COMPANY, INC.

By: 
Henry Novell, President

I, JEFFRY F. FITCH, EXECUTIVE VICE PRESIDENT OF FIRST VALLEY BANK, MCALLEN, TEXAS, DO HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL DOCUMENT.

