

GARDERE

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June 14, 2004

BY FEDERAL EXPRESS
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, D.C. 20423

Re: Recordation of Security Agreement
Partial Release of Security Agreement filed under original
prior Security Agreement was filed under Recordation No.
22456-E

To whom it may concern:

I have enclosed one (1) original and one (1) certified copy of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The first document is a Partial Release of Security Agreement respecting the railcars listed on Exhibit "B" attached hereto (the "Released Railcars"). These railcars are covered by a Security Agreement dated October 31, 2003 and recorded with your office on November 18, 2003 under Recordation No. 22456-E. Please file this Release as executed by the Secured Party, Southwest Bank of Texas, N.A.

The second document is a security agreement dated as of June 10, 2004 (the "Security Agreement").

The names and address of the parties to the Security Agreement are as follows:

Secured Party:
Southwest Bank of Texas, N.A.
Five Post Oak Place
4400 Post Oak Parkway
Houston, Texas 77027

GARDERE WYNN SEWELL LLP
1000 Louisiana, Suite 3400, Houston, Texas 77002-5007 ■ 713.276.5500 Phone ■ 713.276.5555 Fax
Austin ■ Dallas ■ Houston ■ Mexico City ■ Washington, DC



RECORDATION NO. 22456-I FILED

JUN 17 04

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SURFACE TRANSPORTATION BOARD

Debtor:
Texas Rail Partners, L.P.
2121 Sage, Suite 270
Houston, Texas 77056

A description of the equipment covered by the Security Agreement is as follows:

(a) Forty-three (43) rail cars, specifically described on Exhibit "A" attached hereto (the "Railcars");

(b) all Debtor's right title and interest to all tangible personal property incorporated into the Railcars or acquired for incorporation into the Railcars, including all machinery, equipment, fixtures and other personalty of every nature and description incorporated into the Railcars or acquired for incorporation into the Railcars, whether now owned or hereafter acquired, and all appurtenances, accessions and additions thereto and substitutions and replacements therefor, wheresoever located, including all tools, parts and accessories used in connection therewith;

(c) all of Debtor's accounts, accounts receivable, contract rights, investment securities, financial assets, general intangibles, instruments, documents, chattel paper and funds on deposit with Secured Party, whether now owned or hereafter acquired, including, without limitation, all lease receivables and note receivables, all cash, notes and drafts;

(d) acceptances arising therefrom, or other proceeds of any sale, lease or other disposition of inventory, and all proceeds (including insurance proceeds) and products thereof;

(e) all of Debtor's right, title and interest in and to any and all leases covering the Railcars (the "Leases");

(f) all rights, remedies and privileges of Debtor to enforce the Leases;

(g) all other general intangibles of Debtor arising from or relating to the Leases;

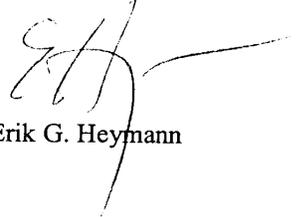
(h) all of Debtor's right, title and interest in and to, but not Debtor's obligations under, the Management Agreement dated May 19, 2004 between Southwest Rail Industries, Inc., a Texas corporation (SRI) and Debtor (the "Management Agreement"); and

(i) all products and proceeds thereof (including insurance proceeds).

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A fee of \$60.00 is enclosed. Please return one (1) file stamped original of each document to the undersigned after recording.

Very truly yours,

A handwritten signature in black ink, appearing to be 'EGH', with a long horizontal flourish extending to the right.

Erik G. Heymann

EGH:dlv

Enclosure

EXHIBIT "A"

Railcars

SRIX 25022	SRIX 33686
SRIX 25023	SRIX 33687
SRIX 25024	SRIX 33688
SRIX 25025	SRIX 33689
SRIX 25026	SRIX 33690
SRIX 25027	SRIX 33691
SRIX 25032	SRIX 33692
SRIX 25033	SRIX 33693
SRIX 30153	SRIX 33694
SRIX 30154	SRIX 33695
SRIX 30155	SRIX 21000
SRIX 30156	SRIX 21001
SRIX 30157	SRIX 21002
SRIX 33678	SRIX 21003
SRIX 33679	SRIX 253300
SRIX 33680	SRIX 253000
SRIX 33681	SRIX 253100
SRIX 33682	SRIX 30135
SRIX 33683	SRIX 30141
SRIX 33684	UTLX 3258
SRIX 33685	UTLX 3259
	UTLX 3260

EXHIBIT "B"

Released Railcars

SRIX 25022	SRIX 21000
SRIX 25023	SRIX 21001
SRIX 25024	SRIX 21002
SRIX 25025	SRIX 21003
SRIX 25026	SRIX 253300
SRIX 25027	SRIX 253000
SRIX 25032	SRIX 253100
SRIX 25033	SRIX 30135
SRIX 30153	SRIX 30141
SRIX 30154	UTLX 3258
SRIX 30155	UTLX 3259
SRIX 30156	UTLX 3260
SRIX 30157	
SRIX 33678	
SRIX 33679	
SRIX 33680	
SRIX 33681	
SRIX 33682	
SRIX 33683	
SRIX 33684	
SRIX 33685	

RECORDATION NO. 22456-I FILED

PARTIAL RELEASE OF SECURITY AGREEMENT JUN 17 '04

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SURFACE TRANSPORTATION BOARD

Southwest Bank of Texas, N.A., a national banking association, with an address at Five Post Oak Place, 4400 Post Oak Parkway, Houston, Texas 77027 (the "Secured Party") under that certain Security Agreement dated October 31, 2003, covering, among other equipment, 100% of the railcars listed on Exhibit "A" attached hereto (the "Railcars"), granted by Texas Rail Partners, L.P., a Texas limited partnership, with an address at 2121 Sage, Suite 270, Houston, Texas 77056 (the "Debtor"), received for record on November 18, 2003 at the Surface Transportation Board in Washington, D.C. and recorded as Recordation No. 22456-E (the "Security Agreement"), DOES HEREBY RELEASE the Railcars from the lien and operation of the Security Agreement; provided that the lien and operation of the Security Agreement shall continue with respect to all other equipment listed therein.

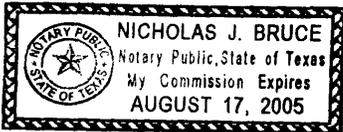
IN WITNESS WHEREOF, the Secured Party has caused this Partial Release of Security Agreement to be duly executed this 10th day of June, 2004.

SOUTHWEST BANK OF TEXAS, N.A.

By: 
Name: C. Ross Bertley
Title: Assistant Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On the 10th day of June, 2004, before me personally came C. Ross Bartley, to me known, who, being by me duly sworn did depose and say that he is a Assistant Vice President of Southwest Bank of Texas, N.A., the national banking association described in and which executed the foregoing instrument; and that he signed his name thereto pursuant to authority granted to him by said national banking association and that said instrument is the act and deed of the national banking association.



Nicholas J. Bruce
Notary Public

EXHIBIT "A"

Railcars

SRIX 25022	SRIX 21000
SRIX 25023	SRIX 21001
SRIX 25024	SRIX 21002
SRIX 25025	SRIX 21003
SRIX 25026	SRIX 253300
SRIX 25027	SRIX 253000
SRIX 25032	SRIX 253100
SRIX 25033	SRIX 30135
SRIX 30153	SRIX 30141
SRIX 30154	UTLX 3258
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