

BRACEWELL & PATTERSON

2900 SOUTH TOWER PENNZOIL PLACE
HOUSTON, TEXAS 77002
713 223 2900
CABLE BRACEPAT HOUSTON
TELEX 76 2141

RECORDATION NO. 15216-B Filed 1425

JUN 8 1987-4 30 PM
INTERSTATE COMMERCE COMMISSION

1825 EYE STREET N.W.
WASHINGTON, D. C. 20006
202 828 5800
TELEX 89 2573

22 GROSVENOR SQUARE
LONDON W1X 0DY
01 491 4805
TELEX 23459

1650 AMERICAN BANK TOWER
AUSTIN, TEXAS 78701
512 472 7800

June 8, 1987

Secretary, Interstate Commerce
Commission
Washington, D.C.

No. 7-159A026
Date JUN 8 1987
Fee \$ 10.00

Dear Secretary:

ICC Washington, D. C.

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

This document is an amendment to a security agreement, a secondary document dated June 9, 1987.

The primary document to which this is connected is recorded under Recordation No. 15216 as amended by a secondary document under Recordation No. 15216-A.

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

Secured Party: The Chase Manhattan Bank (National Association), One Chase Manhattan Plaza, New York, New York 10081;

Borrower: PDG Chemical Inc., 11 Greenway Plaza, Suite 2700, Houston, Texas 77046.

A description of the equipment covered in the document is attached hereto as Attachment A.

A fee of \$10.00 is enclosed. Please return the original and extra copies not needed by the Commission for recordation to Robin J. Miles.

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

Counterparts - CMR

ICC OFFICE OF
THE SECRETARY
JUN 8 4 25 PM '87
MOTOR OPERATING UNIT

BRACEWELL & PATTERSON

Secretary, Interstate Commerce
Commission
June 8, 1987
Page 2

Amendment No. 2 to Security Agreement between PDG Chemical Inc., 11 Greenway Plaza, Suite 2700, Houston, Texas 77046 and The Chase Manhattan Bank (National Association), One Chase Manhattan Plaza, New York, New York 10081 dated June 9, 1987 to the Security Agreement dated April 30, 1987 with Recordation No. 15216, as amended by Amendment No. 1 dated April 30, 1987 with Recordation No. 15216-A, covering 54 railroad tank cars.

Very truly yours,

Bracewell & Patterson


Robin J. Miles

RJM/dkc
enclosures

29RJMS/U

Tank Cars Owned by PDGAC:

<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>AAR Designated Number</u>	<u>DOT Car Specification</u>
1. PPGX10503	10	5/63	T103	ICC111A100W1
2. PPGX10800	20	11/70	T105	DOT111A100W1
3. PPGX10801	20	11/70	T105	DOT111A100W1
4. PPGX10802	20	11/70	T105	DOT111A100W1
5. PPGX10803	20	11/70	T105	DOT111A100W1
6. PPGX10804	20	11/70	T105	DOT111A100W1
7. PPGX10805	20	11/70	T105	DOT111A100W1
8. PPGX10806	20	11/70	T105	DOT111A100W1
9. PPGX10807	20	11/70	T105	DOT111A100W1
10. PPGX10808	20	11/70	T105	DOT111A100W1
11. PPGX10809	20	11/70	T105	DOT111A100W1
12. PPGX10810	20	11/70	T105	DOT111A100W1
13. PPGX10811	20	11/70	T105	DOT111A100W1
14. PPGX10812	20	11/70	T105	DOT111A100W1
15. PPGX10813	20	11/70	T105	DOT111A100W1
16. PPGX10814	20	11/70	T105	DOT111A100W1
17. PPGX10815	20	7/71	T105	DOT111A100W1
18. PPGX10816	20	6/71	T105	DOT111A100W1
19. PPGX10817	20	7/71	T105	DOT111A100W1
20. PPGX10818	20	7/71	T105	DOT111A100W1
21. PPGX10819	20	7/71	T105	DOT111A100W1
22. PPGX10820	20	7/71	T105	DOT111A100W1
23. PPGX10821	20	7/71	T105	DOT111A100W1
24. PPGX10822	20	7/71	T105	DOT111A100W1
25. PPGX10823	20	7/71	T105	DOT111A100W1
26. PPGX10824	20	7/71	T105	DOT111A100W1
27. PPGX10825	20	7/71	T105	DOT111A100W1
28. PPGX10826	20	2/72	T105	DOT111A100W1
29. PPGX10827	20	2/72	T105	DOT111A100W1
30. PPGX10828	20	2/72	T105	DOT111A100W1
31. PPGX10829	20	2/72	T105	DOT111A100W1
32. PPGX10830	20	2/72	T105	DOT111A100W1

<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>AAR Designated Numbers</u>	<u>DOT Car Specifications</u>	
33.	PPGX10831	20	2/72	T105	DOT111A100W1
34.	PPGX10832	20	2/72	T105	DOT111A100W1
35.	PPGX10834	20	2/72	T105	DOT111A100W1
36.	PPGX10835	20	2/72	T105	DOT111A100W1
37.	PPGX10836	20	2/72	T105	DOT111A100W1
38.	PPGX10837	20	2/72	T105	DOT111A100W1
39.	PPGX10838	20	2/72	T105	DOT111A100W1
40.	PPGX10839	20	2/72	T105	DOT111A100W1
41.	PPGX10840	20	2/72	T105	DOT111A100W1
42.	PPGX10843	20	2/72	T105	DOT111A100W1
43.	PPGX10844	20	2/72	T105	DOT111A100W1
44.	PPGX10845	20	2/72	T105	DOT111A100W1
45.	PPGX10847	20	2/72	T105	DOT111A100W1
46.	PPGX10848	20	2/72	T105	DOT111A100W1
47.	PPGX10849	20	2/72	T105	DOT111A100W1
48.	PPGX10850	20	2/72	T105	DOT111A100W1
49.	PPGX10851	20	2/72	T105	DOT111A100W1
50.	PPGX10852	20	5/72	T105	DOT111A100W1
51.	PPGX10854	20	5/72	T105	DOT111A100W1
52.	PPGX10855	20	5/72	T105	DOT111A100W1
53.	PPGX10856	20	5/72	T105	DOT111A100W1
54.	PPGX5232	10	4/53	T103	ICC103W

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

June 8, 1987

Mr. Robin J. Miles
Bracewell & Patterson
2900 South Tower Pennzoil Place
Houston, Texas 77002

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6-8-87 at 4:30PM, and assigned re-
recording number(s). I5216-B and I5241

Sincerely yours,

Noreta K. McGehee
Secretary

Enclosure(s)

SE-30
(7/79)

JUN 8 1987 -4 30 PM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 2 TO SECURITY AGREEMENT

AMENDMENT dated as of June 9, 1987 among PDG Chemical Inc., a Delaware corporation ("PDG") and The Chase Manhattan Bank (National Association), as Agent under the Security Agreement referred to below, as amended hereby (the "Agent").

W I T N E S S E T H :

WHEREAS, the parties hereto have heretofore entered into a Security Agreement dated as of April 30, 1987, as amended by Amendment No. 1 thereto of even date therewith (the "Agreement");

WHEREAS, PDG, a wholly-owned subsidiary of Cain Chemical Inc. (the "Company"), the Company, certain banks and The Chase Manhattan Bank (National Association), as agent for such banks are parties to a Credit Agreement of even date herewith (as the same may be amended and in effect from time to time among said parties and such other subsidiaries of the Company and such banks (the "Banks") as may from time to time be parties thereto, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for extensions of credit (by making loans and issuing letters of credit) to be made by the Banks to the Company, PDG and such other subsidiaries;

WHEREAS, PDG may, after the date hereof, become obligated to the Banks in respect of indebtedness under one or more Interest Rate Agreements (as defined in the Credit Agreement) as contemplated by Section 9.23 of the Credit Agreement;

WHEREAS, in order to induce the Banks and The Chase Manhattan Bank (National Association), as agent for the Banks, to enter into the Credit Agreement and in order to induce the Banks to enter into any Interest Rate Agreements, PDG has agreed to amend the Agreement to grant a continuing security interest in and to the Collateral (as defined in the Agreement) to secure its obligations under the Credit Agreement, including, without limitation, its obligations under the notes issued by PDG pursuant to the Credit Agreement, its reimbursement obligations with respect to letters of credit issued pursuant thereto and its guaranty of the obligations

of the Company thereunder, and its obligations in respect of Secured Interest Rate Indebtedness (as defined below); and

WHEREAS, the parties hereto desire to amend the Agreement as hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Definitions; References. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement.

SECTION 2. Amendments to the Agreement. The Agreement is hereby amended as follows:

(a) The Agreement is amended to substitute "PDG" for "the Borrower" in each place that the latter appears in the Agreement, including the exhibits thereto.

(b) The Agreement is amended to substitute "Secured Party" for "Bank" and "Secured Parties" for "Banks" in each place that those terms appear in the Agreement, including the exhibits thereto (except where the word "Banks" is immediately preceded by the word "Majority").

(c) All references in the Agreement to the "Credit Agreement" shall be deemed to refer to the Credit Agreement as defined herein.

(d) All references in the Agreement to the "Agent" shall be deemed to refer to The Chase Manhattan Bank (National Association), as agent for the Secured Parties (as defined herein).

(e) Section 1 of the Agreement is amended as follows:

(i) The definition of "Remaining Partnership Interest" in Section 1 is amended to read as follows:

"Remaining Partnership Interest" means the 1% limited partnership interest of PPG in the Partnership to be acquired by PDG pursuant to

the Limited Partnership Interest
Purchase and Sale Agreement.

(ii) The definition of "Permitted Liens" is amended to substitute "9.14" for "8.10" therein.

(iii) The following definition is inserted after the definition of "Proceeds":

"Secured Interest Rate Indebtedness" means indebtedness of PDG to the Banks under any Interest Rate Agreements as contemplated by Section 9.23 of the Credit Agreement.

(iv) The definition of "Secured Obligations" is amended to read in its entirety as follows:

"Secured Obligations" means the obligations secured under this Agreement including (a) all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of PDG) on any Loan to PDG under, or any Note issued by PDG pursuant to, the Credit Agreement, (b) all amounts payable by PDG pursuant to its guaranty of the obligations of the Company under the Credit Agreement; (c) all other amounts payable by PDG under the Credit Agreement; (d) all obligations of PDG to the Secured Parties constituting Secured Interest Rate Indebtedness; (e) all other amounts payable by PDG hereunder and (f) any renewals or extensions of any of the foregoing.

(v) The following definition is inserted after the definition of "Secured Obligations":

"Secured Parties" means (i) the Banks, (ii) The Chase Manhattan Bank (National Association), as agent hereunder and under the Credit Agreement and (iii) the Banks holding Secured Interest Rate Indebtedness.

(f) Clause (A) of Section 3 of the Agreement is amended to add the following after the words "Credit Agreement,": "the Secured Interest Rate Indebtedness".

(g) Section 4 of the Agreement is amended as follows:

(i) Clause (E) thereof is amended to add at the beginning of such clause "(I)" and to add at the end thereof the following:

(II) Contemporaneously with the execution of this Agreement, the Company shall execute an Intercompany Note in a form acceptable to the Agent payable to PDG and PDG shall pledge and deliver such Intercompany Note to the Agent. All loans or advances from PDG to the Company shall be evidenced by such Intercompany Note. The Agent shall hold in its possession such Intercompany Note subject to the provisions of this Security Agreement. PDG agrees that it will promptly advise the Agent of each change in the amounts owed to PDG by the Company.

(iii) Clause (J) is amended to substitute "9.13" for "8.09" therein.

(h) Section 9 of the Agreement is amended as follows:

(i) Clause first thereof is amended to substitute "13.03" for "12.03".

(ii) Clause second is amended to read in its entirety as follows:

second, to the ratable payment of accrued but unpaid interest on the Loans, the Notes and the Reimbursement Obligations of PDG and all other amounts owing to the Secured Parties by PDG under the Credit Agreement; provided that any payments made or to be made to PDG pursuant to any Interest Rate Agreements shall be applied first to the payment in full of the accrued but unpaid interest on the Term Loans of PDG and the Term Loan Notes of PDG and then

ratably amongst such other Loans, Notes, Reimbursement Obligations and such other amounts owing to the Secured Parties;

(iii) The following is added immediately after clause third:

fourth, to the ratable payment of all obligations of PDG to the Secured Parties constituting Secured Interest Rate Indebtedness;

(iv) Clause fourth is amended to substitute "fifth" for "fourth" therein.

(i) Section 11 is amended to substitute "Section 12 of the Credit Agreement" for "Section 11 of the Credit Agreement" therein.

(j) Section 13 is amended to to insert immediately preceding the word "Loans" in the last sentence thereof the words "Prime Rate Working Capital".

(k) The first sentence of Section 14 is amended to read in its entirety as follows:

Upon the repayment in full of all Secured Obligations and the termination of the Commitments and Letters of Credit under the Credit Agreement and the expiration or termination of the commitments of the Banks to make payments under any Interest Rate Agreements, the Security Interests shall terminate and all rights to the Collateral shall revert to PDG.

(l) Section 15 is amended to substitute "13.02" for "12.02" therein.

(m) Paragraph 6 of Exhibit A is amended to read in its entirety as follows:

6. Filings. A duly signed financing statement on Form UCC-1 in substantially the form of Schedule 6(A) hereto has been duly filed in the Uniform Commercial Code filing office in each jurisdiction identified in paragraph 2 hereof; a duly signed copy of the Amendment No. 2 to the Security Agreement dated as of June 9, 1987 has been duly filed

with the Secretary of the Interstate Commerce Commission. A true copy of each such filing duly acknowledged by the filing officer has been delivered to the Agent.

(n) Exhibit B is amended to add after the words "Credit Agreement" in the third sentence thereof the words "and any Secured Interest Rate Indebtedness".

SECTION 3. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and each of the parties hereto may execute this Amendment by signing any such counterpart.

SECTION 4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

PDG CHEMICAL INC.

By 
Title: Senior Vice President

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION), as Agent

By _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 7, 1987 by H. Russell Bowers, Senior Vice President of PDG Chemical Inc., a Delaware corporation, on behalf of said corporation.



GLORIA PARKS DIAL
Notary Public State of Texas
My Commission Expires 11-12-89

Gloria Parks Dial
Notary Public in and for The
State of Texas

Name: _____

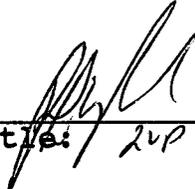
My Commission Expires:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

PDG CHEMICAL INC.

By _____
Title:

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION), as Agent

By  _____
Title: *2VP*

STATE OF NEW YORK)
) SS. :
COUNTY OF NEW YORK)

On the *7th* day of June, 1987, before me personally came *Paul L. Beckwith*, to me known, who, being by me duly sworn, did depose and says that he resides at *14 E. 17th St., N.Y., N.Y.*; that he is a *2nd* V.P. of THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), the association described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said association.

Eleanor Prescott

Notary Public

ELEANOR PRESCOTT
Notary Public, State of New York
No. 41-3156339
Qualified in Queens County
Certificate filed in New York County
Commission Expires Dec. 31, 1989

