LIDDELL, SAPP, ZIVLEY & LABOON
ATTORNEYS
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HOUSTON, TEXAS 77002
(713) 226-1200
TELEX 76-2616
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AUSTIN OFFICE
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TELECOPIER (512) 474-5830

DALLAS OFFICE
1500 SAN JACINTO TOWER
DALLAS, TEXAS 75201
(214) 880-0100
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RECORDATION NO. 9723-C Filed 1425

AUG 15 1985 -3 20 PM

INTERSTATE COMMERCE COMMISSION

August 12, 1985

5-227A052
No.
Date AUG 15 1985
Fee $ 10.00
ICC Washington, D.C.

Mr. James Bayne
Acting Secretary
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, D.C. 20423

Re: Second Amendment to Conditional Sale Agreement between General Motors Corporation (Electro-Motive Division) and Missouri-Kansas-Texas Railroad Company dated September 22, 1978; assigned to Texas Commerce Bank National Association

Dear Mr. Bayne:

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

This document is a Second Amendment to Conditional Sale Agreement ("Second Amendment"), a secondary document, dated the 24th day of April, 1985.

The primary document to which the Second Amendment is connected is a Conditional Sale Agreement recorded under Recordation No. 9723.

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

Purchaser: Missour-Kansas-Texas Railroad Company
701 Commerce Street
Dallas, Texas 75202

Seller (Assignee): Texas Commerce Bank National Association
P. O. 2558
Houston, Texas 77001

ICC OFFICE OF THE SECRETARY
AUG 15 3 11 PM '85
MOTOR OPERATING UNIT

A description of the equipment covered by the Second Amendment follows:

> Four (4) Model SD40-2 diesel electric locomotives with 3000 HP each, bearing MKT's road numbers 607, 608, 609 and 610.

A cashier's check in the amount of $10.00 is enclosed which covers the statutory recording fee. Please return the original Second Amendment and any extra copies stamped with the appropriate recording information which will not be needed by the Commission to the undersigned.

A short summary of the Second Amendment to appear in the Index follows:

> Second Amendment to Conditional Sale Agreement originally executed by and between Missouri-Kansas-Texas Railroad Company and General Motors Corporation (Electro-Motive Division) which assigned same to Texas Commerce Bank National Association, covering four (4) Model SD40-2 diesel electric locomotives with 3000 HP each, bearing MKT's road numbers 607, 608, 609 and 610.

I certify that I have knowledge of the foregoing.

Very truly yours,

Scott Hunsaker

Scott Hunsaker
For the Firm

HSH:CCK:ll 5C
Enclosures - a/s

(A)CCK:ICC-05

RECORDATION NO. 9723-C Filed 1425

(B)RES:Donland05C
05

AUG 15 1985 -3 20 PM

INTERSTATE COMMERCE COMMISSION

SECOND AMENDMENT TO CONDITIONAL SALE AGREEMENT

THIS SECOND AMENDMENT TO CONDITIONAL SALE AGREEMENT, hereinafter referred to as this "Second Amendment", is made and entered into by and between MISSOURI-KANSAS-TEXAS RAILROAD COMPANY (the "Railroad"), a Delaware corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION (the "Bank"), a national banking association domiciled in Houston, Harris County, Texas.

RECITALS:

1.

The Railroad and General Motors Corporation (Electro-Motive Division) (the "Manufacturer"), a Delaware corporation, have entered into a Conditional Sale Agreement dated as of September 22, 1978 (which Conditional Sale Agreement, as same may have been amended prior to the hereinafter described First Amendment, is herein called the "Original Sale Agreement"). All of the Manufacturer's rights and interests, but none of its obligations, have been assigned to the Bank pursuant to an Agreement and Assignment dated of even date with the Original Sale Agreement by and between the Manufacturer and the Bank.

2.

The Railroad has entered into a Track Lease (the "Lease") with Donland Development Company ("Donland"), a Missouri corporation, dated effective as of SEPT. 7, 1984, covering and affecting, inter alia, a certain railroad line, both metallics and land interests, between Oklahoma City, Oklahoma and McAlester, Oklahoma, and owned by Donland. The right of Donland to receive payments under the Lease (the "Lease Payments"), and all other rights and interests (but none of the obligations) of Donland pursuant to the Lease have been assigned to the Bank pursuant to an Assignment of Lease (the "Lease Assignment") dated effective as of September 10, 1984, by and between the Bank and Donland, the Lease Assignment securing the payment and performance of any and all indebtedness of Donland owing to the Bank arising pursuant to that certain Letter Loan Agreement (the "Loan Agreement") dated effective as of September 10, 1984, by and between Donland and the Lender, including, without limitation, the indebtedness evidenced by that certain promissory note (the "Donland Note") in the original principal sum of $4,000,000.00, dated effective of even date with the Loan Agreement, executed by Donland, payable to the order of the Bank.

3.

The Railroad and the Bank have amended the Original Sale Agreement pursuant to an Amendment to Conditional Sale Agreement (the "First Amendment") dated effective of even date with the Loan Agreement (the Original Sale Agreement as amended by the First Amendment being hereinafter called the "Sale Agreement") in order to provide (among other things) that the Cars (as that term is defined in the Sale Agreement) secure the obligation of the Railroad to make Lease Payments to the Bank.

4.

The Donland Note has been fully paid and satisfied and the parties hereto desire (i) to further amend the Sale Agreement to be and read as if the First Amendment had never been executed by the Railroad and the Bank, (ii) to agree that the Sale Agreement no longer secures the obligations of the Railroad pursuant to the Track Lease, and (iii) to make certain other changes to the Sale Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Railroad and the Bank do hereby agree as follows:

1.

The Sale Agreement is hereby amended to be and read as it did immediately prior to the execution of the First Amendment (i.e., to be and read as did the Original Sale Agreement), and as if the First Amendment had never been executed.

2.

The Railroad represents and warrants to the Bank that the representations and warranties contained in the Sale Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of such date. The Railroad hereby certifies that no event has occurred and is continuing which constitutes an event of default under the Sale Agreement or which upon the giving of notice or the lapse of time or both would constitute such an event of default.

3.

Except as expressly further amended hereby, the Sale Agreement shall remain in full force and effect. The Sale Agreement, as hereby further amended, and all rights and powers created thereby or thereunder are in all respects ratified and confirmed and remain in full force and effect. Without limiting the generality of the foregoing, the Sale Agreement as amended hereby shall continue to secure all indebtedness secured thereby (other than the indebtedness of the Railroad under the Lease).

4.

Terms used herein which are defined in the Sale Agreement shall have the meanings therein ascribed to them. Except where the context otherwise requires, the term "Sale Agreement" as used in the Sale Agreement or any other instrument, document or writing furnished to the Bank by the Railroad shall mean the Sale Agreement as hereby further amended.

5.

The Railroad agrees to pay to the Bank upon demand all expenses incurred by the Bank in connection with the preparation, negotiation, execution and recordation of this Second Amendment and any other instruments or documents related to the execution of this Second Amendment, and any releases or assignments of any collateral by the Bank to any lender whose loan proceeds have been used to pay the Donland Note, and any other expenses incurred by the Bank in connection with said loan or the loan evidenced by the Donland Note. The Railroad shall furnish to the Bank all such other documents, consents and information relating to the Railroad, the Cars, or otherwise, as the Bank may reasonably require.

6.

This Second Amendment (a) shall be binding upon and inure to the benefit of the Railroad and the Bank and their respective successors and assigns (provided, however, that the Railroad shall not assign its rights hereunder without the prior written consent of the Bank); (b) may be modified or amended only by a writing signed by each party; (c) shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America; (d) may be executed in several counterparts, and by the parties hereto on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original agreement, and all such separate counterparts shall constitute but one and the same agreement; and (e), when read together with the Sale Agreement including all

prior supplements, amendments and addenda thereto, embodies the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, consents and understandings relating to such subject matter. The headings herein shall be accorded no significance in interpreting this Second Amendment.

IN WITNESS WHEREOF, the Railroad and the Bank have caused this Second Amendment to be signed by their respective duly authorized officers, effective as of APRIL 24, 1985.

MISSOURI-KANSAS-TEXAS
RAILROAD COMPANY

By: W. H. Zeidel
Name: W. H. ZEIDEL
Title: Vice President

ATTEST:

Name: J. T. BASS J. T. BASS
Title: SECRETARY

TEXAS COMMERCE BANK
NATIONAL ASSOCIATION

By:
Name: R.A. Schutte
Title: VP

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 24th day of JUNE, 1985 by W. H. ZEIDEL, Vice President of Missouri-Kansas-Texas Railroad Company, a Delaware corporation, on behalf of said corporation.

Virginia A. Schoeneberger
Notary Public in and for the
State of TEXAS
My commission expires 3-24-86

Virginia A. Schoeneberger

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 24th day of JUNE, 1985 by Robert A. Sakelli, Vice President of Texas Commerce Bank National Association, a national banking association, on behalf of said association.

(SEAL)

Janette Sexton
Notary Public in and for the
State of T E X A S
My commission expires

JANETTE SEXTON
Notary Public, State of Texas
My Commission Expires 11-16-88