

BUTLER & BINION

1600 FIRST INTERSTATE BANK PLAZA

1000 LOUISIANA

HOUSTON, TEXAS 77002-5093

(713) 237-3111

TELEX 775532 (WU)

TELECOPIER 237-3201 237-3202

November 30, 1990

WASHINGTON, D.C.

(202) 466-6900

DALLAS

(214) 220-3100

SAN ANTONIO

(214) 227-2200

ATTORNEYS AT LAW  
A PARTNERSHIP INCLUDING  
PROFESSIONAL CORPORATIONS

RECORDATION NO. 15849 FILED 1425

DEC 5 1990 2:23 PM

15849 A  
DEC 5 2 23 PM '90  
MOTOR OPERATING UNIT

Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue N.W.  
Washington, D. C. 20423

Dear Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303 are the original and a fully executed acknowledged counterpart of a First Amendment to Commercial Security Agreement dated as of November 30, 1990 amending that certain Commercial Security Agreement dated as of December 21, 1987, recorded under Recordation No. 15849, a secondary document as defined in the Commission's Rules for the recordation of documents.

The names and addresses of the parties to the enclosed document are:

Debtor: Mid-Michigan Railroad, Inc.  
432 East Grove Street  
Greenville, Michigan 48838

Secured Party: First Interstate Bank of Texas, N.A.  
1000 Louisiana  
P. O. Box 3326  
Houston, Texas 77253-3326

Included in the property covered by the aforesaid First Amendment to Commercial Security Agreement are locomotives intended for use related to interstate commerce, or interests therein, owned by Mid-Michigan Railroad Company, Inc. at the date of execution of the Commercial Security Agreement or thereafter acquired by it or its successors as owners of the lines of railway covered by the Commercial Security Agreement.

Also enclosed is a check in the amount of \$15.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

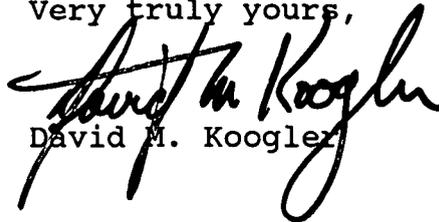
Please return the stamped original and fully executed acknowledged counterpart of the enclosed document to David M.

Koogler, Butler & Binion, 1000 Louisiana, 1600 First Interstate Bank Plaza, Houston, Texas 77002.

A short summary of the enclosed primary document to appear in the Commission's Index is:

First Amendment to Commercial Security Agreement with Recordation No. 15849 dated as of November 30, 1990, executed by Mid-Michigan Railroad, Inc., a Michigan corporation, Debtor, for the benefit of First Interstate Bank of Texas, N.A., Secured Party, covering certain locomotives intended for use related to interstate commerce, or interests therein, owned by Mid-Michigan Railroad, Inc., at the date of said Commercial Security Agreement or thereafter acquired by it or its successors as owners of the lines of railway covered by the Commercial Security Agreement.

Very truly yours,



David M. Koogler

Enclosures

cc: Mr. Joseph H. Argue, III  
Senior Vice President  
First Interstate Bank of Texas, N.A.  
1000 Louisiana, 3rd Floor  
Houston, Texas 77002  
(w/o enclosures)

Mr. Robert R. Lende  
Vice President - Finance  
Railtex, Inc.  
4901 Broadway  
Suite 231  
San Antonio, Texas 78209  
(w/o enclosures)

REGISTRATION NO. 15842 A  
DEC 5 1990 -2 30 PM  
INTERSTATE COMMERCE COMMISSION

FIRST AMENDMENT TO COMMERCIAL SECURITY AGREEMENT

This is the First Amendment (this "Amendment"), dated as of November 30, 1990, to a Commercial Security Agreement (the Security Agreement as amended herein and from time to time being herein called the "Agreement") dated December 21, 1987, executed by MID-MICHIGAN RAILROAD, INC., a Michigan corporation (herein called "Debtor") for the benefit of FIRST INTERSTATE BANK OF TEXAS, N.A. (formerly known as Allied Bank West), a national banking association (herein called "Secured Party").

Section 1. Recitals. Debtor has requested that Secured Party renew and extend the maturity of and increase its term loan, and, subject to the terms and conditions hereinafter stated, Secured Party is willing to do so. Therefore, Debtor hereby agrees as follows, intending to be legally bound:

Section 2. Amendments. The Agreement is amended hereby as follows:

(a) Sections A(i) and A(ii) of the Agreement hereby are deleted therefrom and the following is substituted in lieu thereof:

"(i) certain promissory note dated November 30, 1990, in the original principal sum of \$3,000,000, executed by Debtor and payable to the order of Secured Party (the "Note"), which Note was given in partial renewal, extension and increase of that certain promissory note dated December 21, 1987, executed by Debtor and payable to the order of Secured Party in the original principal amount of \$2,494,800, and any and all extensions, renewals, increases, modifications and rearrangements thereof; (ii) certain obligations of Debtor to Secured Party under that certain first amended and restated loan agreement dated November 30, 1990, by and among Debtor, Railtex, Inc. and Secured Party, and all extensions, renewals, modifications and rearrangements thereof; and"

(b) Each reference in the Agreement to "South Carolina" hereby is amended to read "Michigan".

Section 3. Representations. Debtor represents and warrants that all of the representations and warranties contained in the

Agreement and all instruments and documents executed pursuant thereto or contemplated thereby are true and correct in all material respects on and as of this date, except (i) such representations that relate solely to an earlier date and that were true and correct on such earlier date, and (ii) the breach or inaccuracy of representations and warranties about which Secured Party has been notified in writing prior to the date of this Amendment.

Section 4. Continued Force and Effect. Except as specifically amended herein, all of the terms and conditions of the Agreement and all documents executed in connection therewith or contemplated thereby are and remain in full force and effect in accordance with their respective terms. All of the terms used herein have the same meanings as set out in the Agreement, unless amended hereby or unless the context clearly requires otherwise. References in the Agreement to the "Agreement," the "Security Agreement," "hereof," "herein" and words of similar import shall be deemed to be references to the Agreement as amended hereby.

Section 5. Severability. In the event any one or more provisions contained in the Agreement or this Amendment should be held to be invalid, illegal or unenforceable in any respect, the validity, enforceability and legality of the remaining provisions contained herein and therein shall not be affected in any way or impaired thereby and shall be enforceable in accordance with their respective terms.

Section 6. Acknowledgment. The undersigned officer of Debtor executing this Amendment represents and warrants that he has full power and authority to execute and deliver this Amendment on behalf of Debtor and that such execution and delivery has been duly authorized by the Board of Directors of the Company.

Section 7. No Waiver. Debtor agrees that no Event of Default and no default has been waived or remedied by the execution of this Amendment, and any such default or Event of Default heretofore arising and currently continuing shall continue after the execution and delivery hereof.

Section 8. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas and, to the extent applicable, by federal law.

Section 9. Affirmation of Security Interest. Debtor hereby confirms and agrees that any and all liens, security interests and other security or Collateral now or hereafter held by Secured Party as security for payment and performance of the original

Obligations are renewed and carried forth to secure payment and performance of all of the Obligations as renewed and extended.

EXECUTED as of the date of the acknowledgement below, to be effective as of the date first written above.

MID-MICHIGAN RAILROAD, INC.

By: *D.P. Valentine*  
Name: DAVID P. VALENTINE  
Title: PRESIDENT

- DEBTOR -

THE STATE OF TEXAS           §  
  §  
COUNTY OF BEKAR           §

This instrument was acknowledged before me on November 30, 1990, by DAVID P. VALENTINE, PRESIDENT of MID-MICHIGAN RAILROAD, INC., a Michigan corporation, on behalf of said corporation.



*Carolyn E. Hume*  
Notary Public in and for  
The State of Texas

My Commission Expires:  
9-14-94