

0-128A020

May 3, 1990

VIA CERTIFIED MAIL
RECEIPT #P134753710

RECORDATION NO. 16491-A FILED 1425

MAY 8 1990 -11 15 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th and Constitution Ave. N.W.
Washington, D.C. 20423



Attn: Mildred Lee
Room 2303

Re: Security Agreement

Dear Ms. Lee:

Attached find an original and a notarized copy of an Amended and Supplemental Security Agreement. This Agreement supplements that certain Security Agreement dated as of April 15, 1989, between Excursion Trains, Inc., as Debtor, and Mitchell Energy & Development Corp., as Secured Party, filed under Recordation Number 16491 in the Recordation Office of the Interstate Commerce Commission. This Supplemental Agreement is between the following parties:

Debtor:
Excursion Trains, Inc.
3131 West Alabama, Suite 529
Houston, Texas 77098

Secured Party:
Mitchell Energy & Development Corp.
2001 Timberloch Place
The Woodlands, Texas 77380

The following additional collateral is being added to the collateral under the original Security Agreement recorded under Recordation Number 16491:

MAY 8 11 09 AM '90

MOTOR OPERATING UNIT

Interstate Commerce Commission
Attn: Mildred Lee
May 3, 1990
Page 2

Two (2) Electro-Motive Division of General Motors F7-A
Locomotives identified as:

EMD F7-A L&NW 44 - Builders No. 16560
EMD F7-A L&NW 47 - Builders No. 12741

Additionally, enclosed is our corporate check for \$15.00
to cover the costs of recording this Supplemental Agreement.

I believe that this is all that is required to record
this Security Agreement; however, if additional information
or documentation is required, please feel free to contact me
at (713) 363-5677.

Very truly yours,


Dwight W. Rettig
Attorney

DWR/sp/AICC
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

5/8/90

OFFICE OF THE SECRETARY

Dwight W. Rettig
Mitchell Energy & Development Corp
2001 Timberloch Place
P.O.Box 4000
Woodlands, Texas 77387-4000

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/8/90 at 11:15am and assigned recordation number(s). 16491-A

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

RECORDATION NO. 16491A
FILED 145

MAY 8 1990 -11 15 AM

AMENDED AND
SUPPLEMENTAL SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

This Amended and Supplemental Security Agreement ("Supplement") is made and entered into this 24th day of April, 1990, by and between MITCHELL ENERGY & DEVELOPMENT CORP. ("MEDC") and EXCURSION TRAINS, INC. ("ETI").

RECITALS

1. MEDC and ETI have heretofore entered into that certain Credit Agreement dated April 15, 1989 ("Original Agreement"), wherein MEDC agreed to make revolving credit loans to ETI, up to a maximum aggregate principal amount of \$550,000.00, from time to time until June 15, 1990, so that ETI may have sufficient funding for the purchase, leasing, restoration and renovation of passenger railroad cars and locomotives and the institution and operation of passenger rail service from Houston to Galveston, Texas.

2. MEDC, as Secured Party, and ETI, as Debtor, have heretofore entered into that certain Security Agreement dated as of April 15, 1989, filed under Recordation Number 16491 in the Office of the Interstate Commerce Commission ("Security Agreement"), wherein ETI granted unto MEDC certain liens, rights and security interests, as therein set forth (which security interests include, without limitation, liens upon certain railroad equipment owned by ETI), to secure all payments due on the Indebtedness (as defined in the Security Agreement).

3. MEDC and ETI have entered into that certain Amendment to Credit Agreement, of even date herewith ("Amendment"), wherein the

Original Agreement was amended to provide that the Termination Date (as defined in the Original Agreement) be extended to September 30, 1990, and the Commitment (as defined in the Original Agreement) be increased to the amount of \$690,000.00.

4. ETI has executed that certain promissory note, of even date herewith, payable to the order of MEDC, in the original principal sum of \$190,000.00.

5. MEDC and ETI have agreed that the Security Agreement be amended and supplemented by this Supplement to provide for the specific inclusion of the certain equipment as Collateral (as defined in the Security Agreement), and to provide for the inclusion of the above-referenced promissory note as a portion of the indebtedness.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, MEDC's agreement to amend the Original Agreement, and the execution and delivery of the above-referenced promissory note by ETI, MEDC and ETI hereby covenant and agree as follows:

1. Terms Defined Above. As used in this Supplement, the terms Supplement, MEDC, ETI and Security Agreement shall have the meaning indicated in the opening Recitals hereof, and all capitalized terms not herein defined shall have the same meanings as assigned to them on the Security Agreement.
2. Other Definitions. The Security Agreement is amended and supplemented, in part, by the inclusion into the definition of Collateral, the following:

Two (2) Electromotive Division of General Motors
F7-A Locomotives identified as :

EMD F7-A L&NW 44 - Builders No. 16560
EMD F7-A L&NW 47 - Builders No. 12741

The Security Agreement is amended and supplemented, in part, by the deletion, in its entirety, of subparagraph or subsection (i) from the definition of "Indebtedness" and the substitution therefore of the following:

"(i) The total outstanding principal and interest due and owing on the Note, the \$87,950.28 Note and the \$190,000.00 Note; plus"

The Security Agreement is amended and supplemented, in part, by the deletion, in its entirety, of the definition of "Note" and the substitution therefore of the following:

"Note" means the revolving credit promissory note in the form attached as Exhibit "A" to the Credit Agreement which is evidence of the Six Hundred Ninety Thousand and No/100 Dollars (\$690,000.00) line of credit loan to Debtor by Secured Party."

The Security Agreement is amended and supplemented, in part, by the addition of the following defined term:

"\$190,000.00 Note" shall mean the promissory note in the original principal amount of \$190,000.00, dated April 24, 1990, executed by Debtor, as Maker, payable to the order of Secured Party, as Payee."

3. Ratification. MEDC and ETI hereby confirm and ratify as amended and supplemented hereby, all of the terms,

conditions and covenants contained and set forth in the Security Agreement.

4. Further Assurance. ETI covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such amendments or supplements hereto and such further acts, instruments and transfers as MEDC may require for the curing of any defect in the execution or acknowledgment hereof or in the description of the Collateral or for the better conveying, assigning, pledging and confirming unto MEDC of the Collateral conveyed, assigned and pledged hereunder, or for the proper evidencing of the transaction hereunder contemplated.

ETI covenants that, it will cause this Supplement to be filed, registered and recorded and to be refiled, reregistered and rerecorded in such manner and in such places as may be required by MEDC in order to publish notice of and to fully protect the lien created by this Supplement upon, and to perfect or continue the perfection of the security interests created by this Supplement on the Collateral; and it shall perform or cause to be performed from time to time any other act as required by law or MEDC, and it shall execute or cause to be executed any and all instruments of further assurance that may be necessary for such publication, perfection, continuation and protection.

5. Texas Law. This Supplement shall be interpreted and construed in accordance with, and governed by, the laws of the State of Texas.
6. Effect. Except as specifically amended hereby, all terms, provisions and conditions of the Security Agreement shall remain unchanged and are and shall remain in full force and effect for the full terms thereof, as amended and supplemented hereby, and this Supplement shall be interpreted and construed with the Security Agreement as one and the same instrument. The provisions set forth in this Supplement and any effect thereof shall be deemed effective as of the date hereof and for all times thereafter until otherwise amended or supplemented by the parties hereto.
7. Multiple Counterparts. This Supplement may be executed in multiple counterparts with the full effect as of each said counterpart where executed by all parties hereto.

EXECUTED this 24th day of April, 1990.

MITCHELL ENERGY & DEVELOPMENT CORP.

By: Philip S. Smith
Name: Philip S. Smith
Title: Senior Vice President - Administration
and CFO

EXCURSION TRAINS, INC.

By: Franklin Denson
Name: Franklin Denson
President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on April 34, 1990, by Philip S. Smith, Senior Vice President-Administration of Mitchell Energy & Development Corp., a Delaware corporation, on behalf of said corporation.

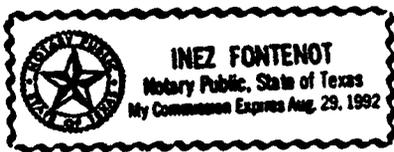


Lillian S. Brymer
Notary Public, State of Texas
Printed Name: Lillian S. Brymer
My Commission Expires: 7-1-90

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on April 26, 1990, by Franklin Denson, President of Excursion Trains, Inc., a corporation, on behalf of said corporation.



Inez Fontenot
Notary Public, State of Texas
Printed Name: INEZ FONTENOT
My Commission Expires: 8/29/92

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, the undersigned Notary Public, do hereby certify that the foregoing is a true and exact copy of the Amended and Supplemental Security Agreement, dated April 24, 1990, by Excursion Trains, Inc., the Debtor, and Mitchell Energy & Development Corp., the Secured Party.

IN WITNESS WHEREOF, I hereto subscribe my name and seal.

Sharon Preston
Printed Name: SHARON PRESTON
Notary Public, State of Texas
My Commission Expires: 1-7-93

