

0-271A035

September 25, 1990

RECORDATION NO 16491/B FILED 1425

SEP 28 1990 -4 00 PM

INTERSTATE COMMERCE COMMISSION

VIA CERTIFIED MAIL
RECEIPT #P134753714

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

Attention: Mildred Lee
Room 2303

Re: Second Amended and Supplemental Security Agreement

Gentlemen:

Attached find an original and a notarized copy of the Second Amended and Supplemental Security Agreement. This agreement supplements that certain Amended and Supplemental Security Agreement dated as of April 24, 1990, between Excursion Trains, Inc., as Debtor, and Mitchell Energy & Development Corp., as Secured Party, filed under Recordation Number 16491-A in the Recordation Office of the Interstate Commerce Commission. This Second Amended and Supplemental Security 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 debt secured by the original Security Agreement recorded under Recordation Number 16491, as amended by the Amended and Supplemental Security Agreement recorded under Recordation Number 16491-A, has been increased to \$1,100,000.00.

Amended w/ Reaffirming atty

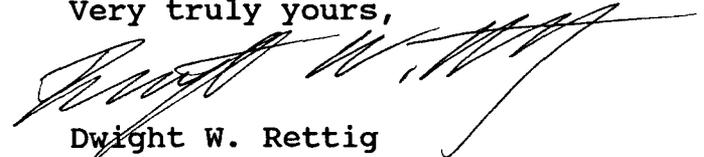


Interstate Commerce Commission
September 25, 1990
Page 2

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

I believe that this is all that is required to record this Second Amended and Supplemental Security Agreement; however, if additional information or documentation is required, please feel free to contact me at (713) 377-5677.

Very truly yours,



Dwight W. Rettig
Attorney

DWR/sp/AICC
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

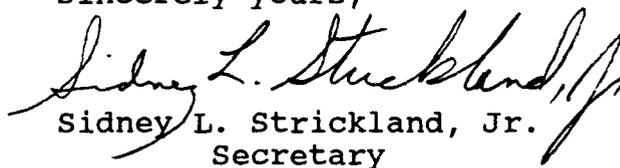
OFFICE OF THE SECRETARY

Dwight W. Rette
Mitchell Energy &
Developments Corp.
2002 Timberloch Place
P. O. Box 24000
Woodlands, Texas 77380

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 9/28/90 at 2:00 PM, and assigned recordation number(s). 16491-B

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

RECORDATION NO. 16491-B
FILED 16491-B

SEP 28 1990 -4:00 PM

SECOND AMENDED AND
SUPPLEMENTAL SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

This Second Amended and Supplemental Security Agreement ("Second Supplement") is made and entered into effective August 1, 1990, by and between MITCHELL ENERGY & DEVELOPMENT CORP. ("MEDC") and EXCURSION TRAINS, INC. ("ETI").

R E C I T A L S

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, Texas, 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, as amended from time to time ("Security Agreement"), wherein ETI has 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 heretofore entered into that certain Amended and Supplemental Security Agreement dated April 24, 1990 ("First Supplement"), filed under Recordation Number 16491-A in the Office of the Interstate Commerce Commission, wherein, among the

other items contained therein, MEDC and ETI agreed to increase the indebtedness secured by the Security Agreement to Six Hundred Ninety Thousand and No/100 Dollars (\$690,000.00).

4. MEDC and ETI have entered into that certain Second Amendment to Credit Agreement, of even date herewith ("Second Amendment"), wherein the Original Agreement was further amended, among other items contained therein, to provide that the Termination Date (as defined in the Original Agreement, as amended) be extended to March 31, 1991, and the Commitment (as defined in the Original Agreement, as amended) be increased to the amount of One Million, One Hundred Thousand and No/100 Dollars (\$1,100,000.00).

5. MEDC and ETI have agreed that the Security Agreement be further amended and supplemented by this Second Supplement to provide for the inclusion of the increased Commitment, as evidenced by the Note, as a portion of the Indebtedness, and to provide for future increases in the Indebtedness.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, MEDC's agreement to amend the Original Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, MEDC and ETI hereby covenant and agree as follows:

1. Terms Defined Above. As used in this Second Supplement, the terms First Supplement, Second Supplement, MEDC, ETI, Security Agreement, Original Agreement, and Second Amendment shall have the meanings 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 deletion, in their entirety, of the definitions of "Indebtedness" and "Note". In substitution therefore, each term is redefined and restated as follows:

"Indebtedness" means:

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

(ii) Any and all amounts now payable or subsequently becoming payable by Debtor pursuant to the Credit Agreement, including without limitation any increases in the balance of the Note or any subsequent promissory notes from Debtor to Secured Party evidencing any increases in the Commitment or otherwise; plus

(iii) Any and all sums, together with interest accruing thereon as therein provided, which may be hereafter advanced by or on behalf of Secured Party under the terms of this Security Agreement on account of the failure of the Debtor to keep, observe or perform the Debtor's covenants under this Security Agreement as hereinafter provided; plus

(iv) Any renewals, extensions and rearrangements of any of the amounts described in (i), (ii) or (iii) above.

"Note" means the revolving credit promissory note in the form attached as Exhibit "A" to the Credit Agreement, as may be amended from time to time, which is evidence of the One Million, One Hundred Thousand and No/100 Dollars (\$1,100,000.00) line of credit loan to Debtor by Secured Party."

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, each of which shall have the full force and effect of an original, but constituting only one instrument.

EXECUTED this 11th day of September, 1990.

MITCHELL ENERGY & DEVELOPMENT CORP.

By: Philip S. Smith
Name: Philip S. Smith
Title: Senior Vice President -
Administration and Chief
Financial Officer

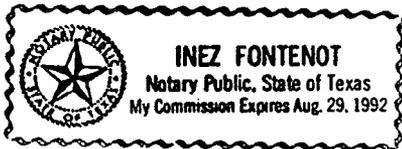
EXCURSION TRAINS, INC.

By: *Franklin Denson*
Name: Franklin Denson
President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on September 11, 1990, by Philip D. Smith, Senior Vice President of Mitchell Energy & Development Corp., a Texas corporation, on behalf of said corporation.

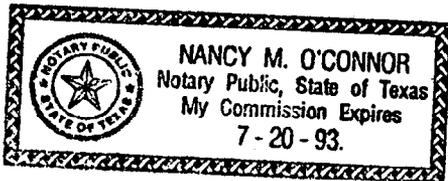


Inez Fontenot
Notary Public, State of Texas
Printed Name: INEZ FONTENOT
My Commission Expires: 8-29-92

STATE OF TEXAS §

COUNTY OF Harris §

This instrument was acknowledged before me on September 11, 1990, by Franklin Denson, President of Excursion Trains, Inc., a Texas corporation, on behalf of said corporation.



Nancy M. O'Connor
Notary Public, State of Texas
Printed Name: Nancy M. O'Connor
My Commission Expires: July 20, 1993

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 Second Amended and Supplemental Security Agreement, dated September 11, 1990, by Excursion Trains, Inc., the Debtor, and Mitchell Energy & Development Corp., the Secured Party.

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



Sharon Preston

Notary Public, State of Texas

Printed Name: SHARON PRESTON

My Commission Expires: 1-7-93