

RECORDATION NO. 15599-F FILED

JUN 10 '97

3:38 PM

BALL JANIK LLP

A T T O R N E Y S

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June 10, 1997

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Release of Collateral, a secondary document, dated as of June 6, 1997. The primary document to which this is connected is recorded under Recordation No. 15599. We request that this document be recorded under Recordation No. 15599-F.

The names and addresses of the parties to the Partial Release of Collateral are:

Secured Party:

Southdown Financing, Inc.
1200 Smith Street
Houston, TX 77002

Debtor:

Southdown, Inc.
1200 Smith Street
Houston, TX 77002

A description of the equipment covered by the Partial Release of Collateral consists of 20 110-ton covered hopper cars numbered SDWX 9900-9919, inclusive.

Counterpart - [Signature]

BALL JANIK LLP

Honorable Vernon A. Williams

June 10, 1997

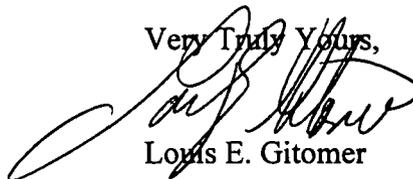
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A fee of \$24.00 is enclosed. Please return one original of the document to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Partial Release of Collateral between Southdown Financing, Inc., 1200 Smith Street, Houston, TX 77002, and Southdown, Inc., 1200 Smith Street, Houston, TX 77002 covering 20 110-ton covered hopper cars numbered SDWX 9900-9919, inclusive

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Louis E. Gitomer

Enclosures

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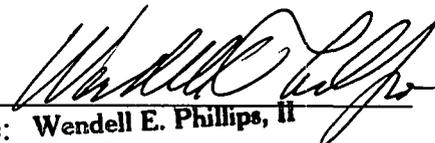
PARTIAL RELEASE OF COLLATERAL

THIS PARTIAL RELEASE OF COLLATERAL, dated as of June 6, 1997 (this "Partial Release"), is executed by **SOUTHDOWN FINANCING, INC.**, a Delaware corporation ("Secured Party"). Secured Party and Southdown, Inc., a Louisiana corporation and successor by merger to Southwestern Portland Cement Company, a Delaware corporation ("Debtor"), are parties to that certain Security Agreement, dated as of April 5, 1988, and recorded with the Interstate Commerce Commission on April 22, 1988 (Recordation Number 15599).

Secured Party hereby releases its security interest in after acquired property created by section three of the Security Agreement for 20 110-ton covered hopper cars numbered SDWX 9900-9919, inclusive. Except as expressly modified and amended by this Partial Release, the provisions of the Security Agreement shall remain in full force and effect in accordance with their original terms.

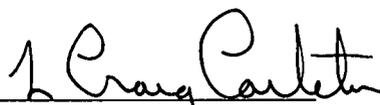
Secured Party has executed this Partial Release as of the date first set forth above.

SOUTHDOWN FINANCING, INC.,
a Delaware corporation

By: 
Title: **Wendell E. Phillips, II**
Asst. Secretary

ACKNOWLEDGED AND ACCEPTED:

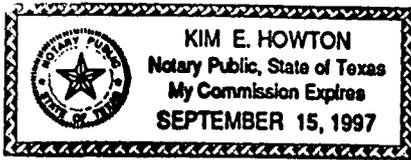
SOUTHDOWN, INC.
a Louisiana corporation

By: 
Title: **Assistant Treasurer**

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

On 6/6/96, before me, the undersigned, a Notary Public in and for said State, personally appeared Wendell E. Phillips, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

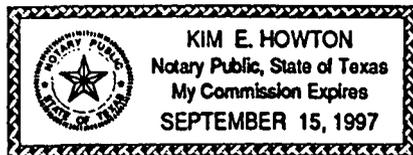


Kim E. Howton
Notary Public in and for Said State

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

On 6/6/96, before me, the undersigned, a Notary Public in and for said State, personally appeared L. CRAIG CARLTON, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Kim E. Howton
Notary Public in and for Said State