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RECORDATION NO. 15599-J FILED

DEC 28 '98 12-05 PM

December 28, 1998

Counterparts

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

Dear Secretary Williams:

I have enclosed the original and one certified copy 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 December 23, 1998. 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-J.

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 30 100-ton Oertner rapid discharge open top hopper cars numbered CENX 8027-8029, inclusive, 8031, 8032, 8034, 8037, 8038, 8042, 8045-8047, inclusive, 8051, 8052, 8054, 8057-8059, inclusive, 8062, 8066-8069, inclusive, 8071-8074, inclusive, 8076, 8077, and 8080.

A fee of $26.00 is enclosed. Please return the 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 30 100-ton Oertner rapid discharge open top hopper cars numbered CENX 8027-8029, inclusive, 8031, 8032, 8034, 8037, 8038, 8042, 8045-8047, inclusive, 8051, 8052, 8054, 8057-8059, inclusive, 8062, 8066-8069, inclusive, 8071-8074, inclusive, 8076, 8077, and 8080.

Very Truly Yours,

Louis E. Gitomer

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY
Louis E. Gitomer
Of Counsel
Ball Janik LLP
1455 F Street, NW., Ste. 225
Washington, DC., 20005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 12/28/98 at 12:05PM , and

assigned recordation number(s). 21900, 21901, 7121-A, 7122-A, 7123-A, 15599- J and 21177-A.

Sincerely Yours,

Vernon A. Williams

Vernon A. Williams

Enclosure(s) (7)
182.00
$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature---Janice M. Fort---

RECORDATION NO. 15599-J FILED

DEC 28 '98 12-05 PM

PARTIAL RELEASE OF COLLATERAL

THIS PARTIAL RELEASE OF COLLATERAL, dated as of December 23, 1998 (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 the railroad equipment identified in the Attachment hereto. 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: [signature]
Title: ASST. SECRETARY

ACKNOWLEDGED AND ACCEPTED:

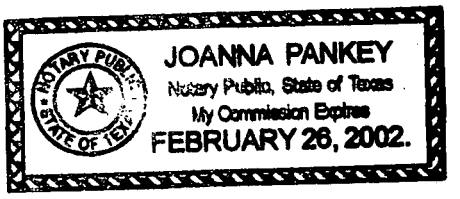
SOUTHDOWN, INC.
a Louisiana corporation

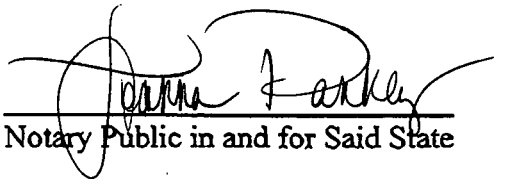
By: [signature]
Title: Assistant Treasurer

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

On December 22, 1998 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.

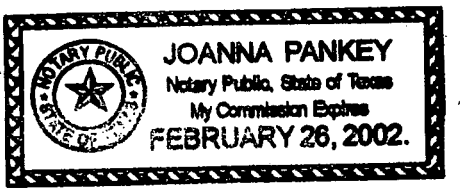


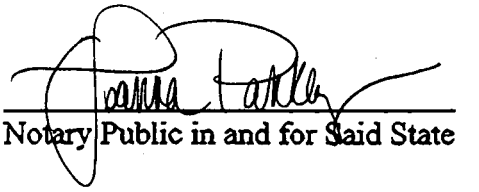

Notary Public in and for Said State

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

On December 22, 1998 before me, the undersigned, a Notary Public in and for said State, personally appeared L Craig Carleton, 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.




Notary Public in and for Said State

ATTACHMENT

Thirty 100-ton Oertner rapid discharge open top hopper cars numbered CENX 8027-8029, inclusive, 8031, 8032, 8034, 8037, 8038, 8042, 8045-8047, inclusive, 8051, 8052, 8054, 8057-8059, inclusive, 8062, 8066-8069, inclusive, 8071-8074, inclusive, 8076, 8077, and 8080.

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Partial Release of Collateral dated as of December 23, 1998, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

Louis E. Gitomer
December 28, 1998