



WELLS FARGO BANK

0100081029

Corporate Banking Group  
Southern California Division  
333 South Grand Avenue  
Los Angeles, CA 90071

Dated as of November 19, 1993

RECORDATION NO. 15600-13 FILED

JAN 5 - 1994 - 2 05 PM

INTERSTATE COMMERCE COMMISSION LICENSING BRANCH

RECEIVED  
OFFICE OF THE  
SECRETARY  
JAN 5 1 59 PM '94

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

Dear Secretary:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Amendment Number Three to Security Agreement, a secondary document, dated as of November 19, 1993. The primary document to which this is connected is recorded under Recordation No. 1 5600, filed April 22, 1988.

The names and addresses of the parties to the document are as follows:

Secured Party:

Wells Fargo Bank, N.A.  
420 Montgomery Street, 4th Floor  
San Francisco, California 94163

Debtor:

Southdown, Inc.  
1200 Smith Street, Suite 2400  
Houston, Texas 77002

A description of the equipment covered in the document is attached as Exhibit "A" of the document, with an additional copy attached to this letter as Schedule 1.

Included in the property covered by the document described above are railroad cars and locomotives intended for use related to interstate commerce, or interests therein, owned by Southdown, Inc. as of the date of such document, or thereafter acquired by it or its successors as owners of the railroad cars and locomotives covered by such document.

Interstate Commerce Commission  
Dated as of November 19, 1993  
Page 2

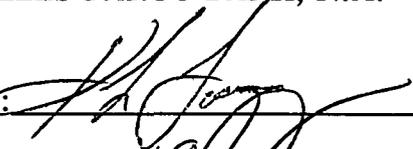
A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to John Francis Hilson, Brobeck, Phleger & Harrison, 550 South Hope Street, 21st Floor, Los Angeles, California 90071.

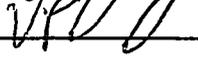
A short summary of the document to appear in the index follows:

Amendment Number Three to Security Agreement between Southdown, Inc., 1200 Smith Street, Suite 2400, Houston, Texas 77002, and Wells Fargo Bank, N.A., 420 Montgomery Street, 4th Floor, San Francisco, California 94163, dated as of November 19, 1993, covering, among other things, seventy-nine (79) railroad cars and locomotives.

Very truly yours,

WELLS FARGO BANK, N.A.

By:  \_\_\_\_\_

Title:  \_\_\_\_\_

Enclosures

Rail Cars Owned by Southdown, Inc.  
(formerly Southwestern Portland Cement Company):

<u>TYPE OF CAR</u>	<u>SERIAL NO.</u>
Locomotive Diesel 65-Ton DL-6790216 400HP	28521
Locomotive SPD-35 Diesel Elec. 2500HP	29350
Locomotive GP-40 Diesel Elect. 300HP	7064-5
R.R. Slug GP 20, 2000 HP 120-Ton	7597-16
Hopper Bottom Dump 70-Ton	6058
Hopper Bottom Dump 70-Ton	6200
Hopper Bottom Dump 70-Ton	6336
Hopper Bottom Dump 70-Ton	6661
Hopper Bottom Dump 70-Ton	6992
Hopper Bottom Dump 70-Ton	7058
Hopper Bottom Dump 70-Ton	7215
Hopper Bottom Dump 70-Ton	7276
Hopper Bottom Dump 70-Ton	7351
Hopper Bottom Dump 70-Ton	7471
Hopper Bottom Dump 70-Ton	7604
Hopper Bottom Dump 70-Ton	7623

	<u>TYPE OF CAR</u>	<u>SERIAL NO.</u>
Hopper	Bottom Dump 70-Ton	6489
Hopper	Bottom Dump 70-Ton	6660
Hopper	Bottom Dump 70-Ton	7701
Hopper	Bottom Dump 70-Ton	16898
Water Car	10,000 Gal. Tank Car	CHAX 175
Water Car	10,000 Gal. Tank Car	CHAX 198
Water Car	10,000 Gal. Tank Car	CHAX 199
Locomotive	Electric	29952
Locomotive	99-Ton	75120
Locomotive	1000-Ton	59079
Hopper	50-Ton Bottom Dump	DFC135769
Hopper	50-Ton Bottom Dump	SPCC318201
Hopper	50-Ton Bottom Dump	SPCC348281
Hopper	50-Ton Bottom Dump	OFC135974
Hopper	50-Ton Bottom Dump	OFC135967
Hopper	50-Ton Bottom Dump	OFC135851
Hopper	50-Ton Bottom Dump	OFC135939
Hopper	50-Ton Bottom Dump	OFC135943
Hopper	50-Ton Bottom Dump	OFC135922
Hopper	50-Ton Bottom Dump	OFC135792

**BROBECK, PHLEGER & HARRISON**

ATTORNEYS AT LAW

550 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071-2604

FACSIMILE: (213) 745-3345

TELEX: 181164 BPH LSA

TELEPHONE: (213) 489-4060

SAN FRANCISCO OFFICE  
SPEAR STREET TOWER  
ONE MARKET PLAZA  
SAN FRANCISCO, CALIFORNIA 94105  
(415) 442-0900

SAN DIEGO OFFICE  
350 WEST C STREET  
SUITE 1300  
SAN DIEGO, CALIFORNIA 92101  
(619) 234-1966

PALO ALTO OFFICE  
TWO EMBARCADERO PLACE  
2200 GENG ROAD  
PALO ALTO, CALIFORNIA 94303  
(415) 424-0160

NEWPORT BEACH OFFICE  
4675 MACARTHUR COURT  
SUITE 1000  
NEWPORT BEACH, CALIFORNIA 92660  
(714) 752-7535

January 4, 1994

WRITER'S DIRECT DIAL NUMBER (213) 745-3394

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Room 2303  
Washington D.C. 20423

Dear Ms. Lee:

Pursuant to your request, enclosed please find a check in the amount of \$2.00 to cover the balance of the \$18.00 recording fee for the recordation of Amendment Number Three to Security Agreement, a secondary document, dated as of November 19, 1993, which was sent to you for recording under cover of Wells Fargo Bank's letter as of November 19, 1993 (a copy of which is enclosed for your reference). Thank you for your assistance.

Very truly yours,

BROBECK, PHLEGER & HARRISON



Raymond T. Sung

RTS/sev  
Enclosures

	<u>TYPE OF CAR</u>	<u>SERIAL NO.</u>
Hopper	50-Ton Bottom Dump	OFC135969
Hopper	50-Ton Bottom Dump	OFC135822
Hopper	50-Ton Bottom Dump	OFC135978
Hopper	50-Ton Bottom Dump	OFC135839
Hopper	50-Ton Bottom Dump	OFC135901
Hopper	50-Ton Bottom Dump	OFC50241
Hopper	50-Ton Bottom Dump	OFC50244
Hopper	50-Ton Bottom Dump	OFC50249
Hopper	50-Ton Bottom Dump	OFC50254
Hopper	50-Ton Bottom Dump	OFC50289
Hopper	50-Ton Bottom Dump	OFC135789
Hopper	50-Ton Bottom Dump	OFC135932
Hopper	50-Ton Bottom Dump	OFC135760
Hopper	50-Ton Bottom Dump	SWPC2353
Hopper	50-Ton Bottom Dump	SWPC2358
Hopper	50-Ton Bottom Dump	SWPC2362
Hopper	50-Ton Bottom Dump	SWPC2379
Hopper	50-Ton Bottom Dump	SWPC2382
Hopper	50-Ton Bottom Dump	SWPC2383
Hopper	50-Ton Bottom Dump	SWPC2351

	<u>TYPE OF CAR</u>	<u>SERIAL NO.</u>
Hopper	50-Ton Bottom Dump	SWPC2352
Hopper	50-Ton Bottom Dump	SWPC2356
Hopper	50-Ton Bottom Dump	SWPC2359
Hopper	50-Ton Bottom Dump	SWPC2361
Hopper	50-Ton Bottom Dump	SWPC2370
Hopper	50-Ton Bottom Dump	SWPC2380
Hopper	50-Ton Bottom Dump	SWPC2387
Hopper	50-Ton Bottom Dump	SWPC2388
Hopper	50-Ton Bottom Dump	SWPC2389
Hopper	Bottom Dump 70-Ton	80 *
Hopper	Bottom Dump 70-Ton	88 *
Hopper	Bottom Dump 70-Ton	89 *
Hopper	Bottom Dump 70-Ton	90 *
Hopper	Bottom Dump 70-Ton	93 *
Hopper	Bottom Dump 70-Ton	95 *
Hopper	Bottom Dump 70-Ton	96 *
Hopper	Bottom Dump 70-Ton	98 *
Hopper	Bottom Dump 70-Ton	99 *
Hopper	Coal 100-Ton	103 *
Hopper	Coal 100-Ton	104 *

TYPE OF CAR

SERIAL NO.

Hopper	Coal 100-Ton	105 *
Hopper	Coal 100-Ton	106 *
Hopper	Coal 100-Ton	107 *

\* Internal control numbers provided in lieu of serial numbers where serial numbers were unavailable

Interstate Commerce Commission  
Washington, D.C. 20423

1/4/94

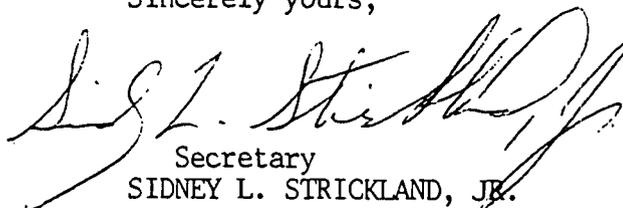
OFFICE OF THE SECRETARY

John Francis  
Hilson Brobeck, Phelger & Harrison  
550 South Hope Street 21st FL.  
Los Angeles, California 90071

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 1/5/94 at 2:05pm, and assigned  
recording number(s). 15600-B

Sincerely yours,

  
Secretary  
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

JAN 5 - 1994 - 2 05 PM

INTERSTATE COMMERCE COMMISSION

**AMENDMENT NUMBER THREE TO SECURITY AGREEMENT**

**THIS AMENDMENT NUMBER THREE TO SECURITY AGREEMENT**, dated as of November 19, 1993 (this "Amendment"), entered into between **SOUTHDOWN, INC.**, a Louisiana corporation, and successor by merger to Southwestern Portland Cement Company, a Delaware corporation ("Debtor"), and **WELLS FARGO BANK, N.A.**, a national banking association, in its capacity as agent ("Secured Party") for the banks and financial institutions which are signatories to that certain Second Amended and Restated Credit Agreement, dated as of November 19, 1993 (as from time to time amended, modified, renewed, extended, restated, replaced, or supplemented, herein referred to as the "Credit Agreement"), entered into between Debtor, Secured Party, and the other banks and financial institutions that from time to time are parties thereto, in light of the following facts:

**WHEREAS**, Southwestern Portland Cement Company, a Delaware corporation ("SPC"), and Secured Party previously executed that certain Security Agreement, dated as of April 5, 1988, which was amended by that certain Amendment Number One to Security Agreements dated as of May 22, 1989 (as amended, the "Original Security Agreement");

**WHEREAS**, on April 22, 1988, Secured Party recorded the Original Security Agreement and a schedule listing certain railroad cars and locomotives with the Interstate Commerce Commission (recordation number 1 5600);

**WHEREAS**, in connection with that certain Amended and Restated Credit Agreement, dated as of April 30, 1991 (as amended, the "Prior Credit Agreement"), entered into between Debtor, Secured Party, and various banks and financial institutions, Debtor and Secured Party executed that certain Amendment Number Two to Security Agreement, dated as of April 30, 1991 ("Amendment Number Two"), which amended the Original Security Agreement (as so amended by Amendment Number Two, the "Security Agreement");

**WHEREAS**, on July 30, 1991, Secured Party recorded Amendment Number Two with the Interstate Commerce Commission (recordation number 1 5600-A);

**WHEREAS**, Debtor, Secured Party, and various banks and financial institutions contemporaneously herewith are entering into the Credit Agreement; and

**WHEREAS**, in connection with the Credit Agreement, Debtor and Secured Party desire to amend the Security Agreement as set forth in this Amendment.

**NOW, THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor and Secured Party hereby agree to amend the Security Agreement as follows:

1. **Definitions; Construction.** Any and all initially capitalized terms used herein shall have the meaning ascribed thereto in the Credit Agreement, unless specifically defined herein. Unless the context of this Amendment clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the part includes the whole, the terms "include" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Amendment.

2. **Amendment of the Recitals to the Security Agreement.** The recitals to the Security Agreement are hereby amended by deleting the first recital therefrom in its entirety and adding and inserting in its place the following new recital:

**WHEREAS**, Debtor, Secured Party, and Banks have entered into that certain Second Amended and Restated Credit Agreement, dated as of November 19, 1993 (as the same may from time to time be amended, modified, supplemented, renewed, extended, replaced, or restated, hereinafter referred to as the "Credit Agreement"); and

3. **Amendment of Section 10 of the Security Agreement.** Section 10 of the Security Agreement is hereby amended by deleting the addresses for notices therefrom in their entirety and adding and inserting in their place the following new addresses for notices:

If to Debtor:                    Southdown, Inc.  
                                         1200 Smith Street, Suite 2400  
                                         Houston, Texas 77002  
                                         Attention: Mr. James L. Persky

with a copy to:                Bracewell & Patterson, L.L.P.  
                                         2900 South Tower, Pennzoil Place  
                                         711 Louisiana Street  
                                         Houston, Texas 77002  
                                         Attention: William J. Hayes, Esq.

If to Secured Party:        Wells Fargo Bank, N.A., as Agent  
                                         420 Montgomery Street, 4th Floor  
                                         San Francisco, California 94163  
                                         Attention: Ms. Sorana Soong

With a copy to: Wells Fargo Corporate Services, Inc.  
500 North Akard, Suite 3535  
Dallas, Texas 75201  
Attention: Mr. Kirk Scoggins

With a copy to: Brobeck, Phleger & Harrison  
550 South Hope Street, Suite 2300  
Los Angeles, California 90071  
Attention: John Francis Hilson, Esq.

4. **Amendment of Section 12.1 of the Security Agreement.** Section 12.1 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

12.1 Notwithstanding anything to the contrary contained herein, Debtor may sell or otherwise transfer any or all of the Collateral to any Subsidiary of Debtor in accordance with, and upon compliance with, the terms and conditions of the Credit Agreement and of this Agreement, including Sections 5.2(i), 5.11, and 6.9 of the Credit Agreement, and including Section 5 hereof.

5. **Exhibit A.** Exhibit A to the Security Agreement is hereby amended by deleting the exhibit in its entirety and adding and inserting in its place Exhibit A attached hereto.

6. **Execution in Counterparts.** This Amendment may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed an original. All of such counterparts, when taken together, shall constitute but one and the same instrument. Delivery of an executed counterpart of the signature pages to this Amendment by telefacsimile shall be effective as delivery of a manually executed counterpart of this Amendment. Any party delivering an executed counterpart of the signature pages to this Amendment by telefacsimile shall thereafter also promptly deliver a manually executed counterpart of this Amendment but the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

7. **Effectiveness; No Further Amendment.** Except as expressly modified and amended by this Amendment, the provisions of the Security Agreement shall remain in full force and effect in accordance with their original terms. Debtor ratifies and reaffirms the Security Agreement as amended hereby. This Amendment shall be effective from the date hereof and shall be effective as of the date first written above when a counterpart hereof shall have been executed by Debtor and Secured Party and shall have been delivered to Secured Party.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first set forth above.

**SOUTHDOWN, INC.,**  
a Louisiana corporation

By: Thomas E. Dams

Title: Assistant Treasurer

**WELLS FARGO BANK, N.A.,**  
a national banking association,  
as Secured Party

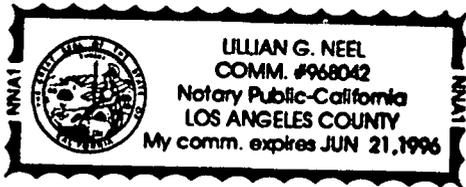
By: [Signature]

Title: VPO

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF LOS ANGELES )

On November 19, 1993, before me, the undersigned, a Notary Public in and for said State, personally appeared THOMAS E. DANAN, ~~personally known to me~~ (or proved to me on the 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.

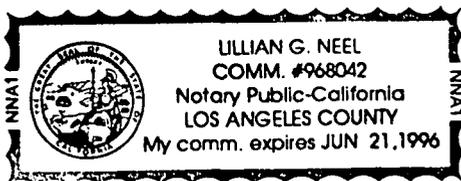


*Lillian G. Neel*  
Notary Public in and for Said  
State

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF LOS ANGELES )

On November 19, 1993, before me, the undersigned, a Notary Public in and for said State, personally appeared Kirk Scoggins, ~~personally known to me~~ (or proved to me on the 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.



*Lillian G. Neel*  
Notary Public in and for Said  
State

Rail Cars Owned by Southdown, Inc.  
(formerly Southwestern Portland Cement Company):

<u>TYPE OF CAR</u>		<u>SERIAL NO.</u>
Locomotive	Diesel 65-Ton DL-6790216 400HP	28521
Locomotive	SPD-35 Diesel Elec. 2500HP	29350
Locomotive	GP-40 Diesel Elect. 300HP	7064-5
R.R. Slug	GP 20, 2000 HP 120-Ton	7597-16
Hopper	Bottom Dump 70-Ton	6058
Hopper	Bottom Dump 70-Ton	6200
Hopper	Bottom Dump 70-Ton	6336
Hopper	Bottom Dump 70-Ton	6661
Hopper	Bottom Dump 70-Ton	6992
Hopper	Bottom Dump 70-Ton	7058
Hopper	Bottom Dump 70-Ton	7215
Hopper	Bottom Dump 70-Ton	7276
Hopper	Bottom Dump 70-Ton	7351
Hopper	Bottom Dump 70-Ton	7471
Hopper	Bottom Dump 70-Ton	7604
Hopper	Bottom Dump 70-Ton	7623

<u>TYPE OF CAR</u>		<u>SERIAL NO.</u>
Hopper	Bottom Dump 70-Ton	6489
Hopper	Bottom Dump 70-Ton	6660
Hopper	Bottom Dump 70-Ton	7701
Hopper	Bottom Dump 70-Ton	16898
Water Car	10,000 Gal. Tank Car	CHAX 175
Water Car	10,000 Gal. Tank Car	CHAX 198
Water Car	10,000 Gal. Tank Car	CHAX 199
Locomotive	Electric	29952
Locomotive	99-Ton	75120
Locomotive	1000-Ton	59079
Hopper	50-Ton Bottom Dump	DFC135769
Hopper	50-Ton Bottom Dump	SPCC318201
Hopper	50-Ton Bottom Dump	SPCC348281
Hopper	50-Ton Bottom Dump	OFC135974
Hopper	50-Ton Bottom Dump	OFC135967
Hopper	50-Ton Bottom Dump	OFC135851
Hopper	50-Ton Bottom Dump	OFC135939
Hopper	50-Ton Bottom Dump	OFC135943
Hopper	50-Ton Bottom Dump	OFC135922
Hopper	50-Ton Bottom Dump	OFC135792

TYPE OF CAR

SERIAL NO.

Hopper	50-Ton Bottom Dump	OFC135969
Hopper	50-Ton Bottom Dump	OFC135822
Hopper	50-Ton Bottom Dump	OFC135978
Hopper	50-Ton Bottom Dump	OFC135839
Hopper	50-Ton Bottom Dump	OFC135901
Hopper	50-Ton Bottom Dump	OFC50241
Hopper	50-Ton Bottom Dump	OFC50244
Hopper	50-Ton Bottom Dump	OFC50249
Hopper	50-Ton Bottom Dump	OFC50254
Hopper	50-Ton Bottom Dump	OFC50289
Hopper	50-Ton Bottom Dump	OFC135789
Hopper	50-Ton Bottom Dump	OFC135932
Hopper	50-Ton Bottom Dump	OFC135760
Hopper	50-Ton Bottom Dump	SWPC2353
Hopper	50-Ton Bottom Dump	SWPC2358
Hopper	50-Ton Bottom Dump	SWPC2362
Hopper	50-Ton Bottom Dump	SWPC2379
Hopper	50-Ton Bottom Dump	SWPC2382
Hopper	50-Ton Bottom Dump	SWPC2383
Hopper	50-Ton Bottom Dump	SWPC2351

<u>TYPE OF CAR</u>		<u>SERIAL NO.</u>
Hopper	50-Ton Bottom Dump	SWPC2352
Hopper	50-Ton Bottom Dump	SWPC2356
Hopper	50-Ton Bottom Dump	SWPC2359
Hopper	50-Ton Bottom Dump	SWPC2361
Hopper	50-Ton Bottom Dump	SWPC2370
Hopper	50-Ton Bottom Dump	SWPC2380
Hopper	50-Ton Bottom Dump	SWPC2387
Hopper	50-Ton Bottom Dump	SWPC2388
Hopper	50-Ton Bottom Dump	SWPC2389
Hopper	Bottom Dump 70-Ton	80 *
Hopper	Bottom Dump 70-Ton	88 *
Hopper	Bottom Dump 70-Ton	89 *
Hopper	Bottom Dump 70-Ton	90 *
Hopper	Bottom Dump 70-Ton	93 *
Hopper	Bottom Dump 70-Ton	95 *
Hopper	Bottom Dump 70-Ton	96 *
Hopper	Bottom Dump 70-Ton	98 *
Hopper	Bottom Dump 70-Ton	99 *
Hopper	Coal 100-Ton	103 *
Hopper	Coal 100-Ton	104 *

TYPE OF CAR

SERIAL NO.

Hopper	Coal 100-Ton	105 *
Hopper	Coal 100-Ton	106 *
Hopper	Coal 100-Ton	107 *

\* Internal control numbers provided in lieu of serial numbers where serial numbers were unavailable