

COMPUTER
RECORDED
COMPARED

SECOND SUPPLEMENT AND AMENDMENT TO INDENTURE OF MORTGAGE,
SECURITY AGREEMENT AND ASSIGNMENT OF LEASE

THIS SECOND SUPPLEMENT AND AMENDMENT TO INDENTURE OF MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASE, dated as of February 26, 1993, (herein called the "Second Supplement"), is entered into by and among HEARTLAND RAIL CORPORATION, an Iowa corporation (herein called the "Mortgagor") and MAYTAG FINANCIAL SERVICES CORP., a Delaware corporation (herein called "Maytag" or the "Mortgagee").

R E C I T A L S:

A. The Mortgagor has heretofore executed and delivered to IOWA INTERSTATE RAILROAD, LTD., a Delaware corporation, ("IAIS") that certain Indenture of Mortgage, Security Agreement and Assignment of Lease, dated as of October 4, 1984 (herein called the "Mortgage"), to secure, inter alia, payment of indebtedness owing to IAIS by the Mortgagor pursuant to the "Note" referred to in the Mortgage (the "Note").

B. The Mortgage has been filed and recorded as set forth in Schedule I hereto.

C. The Mortgagor and IAIS entered into an Amendment and Allonge to the Note, dated as of January 26, 1988 (the "First Amendment to the Note"), which amends the Note in the particulars set forth in the First Amendment to the Note.

D. IAIS and Citicorp Industrial Credit, Inc. ("CIC") heretofore entered into a Revolving Credit Agreement dated as of October 4, 1984 (hereinafter the "Agreement" and as referred to in the Mortgage), pursuant to which IAIS borrowed certain sums from CIC, including the amounts lent to the Mortgagor and evidenced by the Note.

E. CIC assigned all its rights under the Agreement and certain other agreements including a certain Pledge and Security Agreement dated October 4, 1984 (the "CIC Agreements") to SANWA BUSINESS CREDIT CORPORATION, a Delaware corporation ("Sanwa" hereafter) and Sanwa and IAIS, entered into a Consolidation, Amendment and Restatement of Secured Loan Agreement dated as of January 26, 1988 amending and restating the Agreement in its entirety, and amending the Mortgage in the form of a First Supplement and Amendment to Indenture of Mortgage, Security Agreement and Assignment of Lease, dated as of January 26, 1988.

F. Sanwa has assigned all of its rights under the CIC Agreements and related documents to Maytag pursuant to an

STATE OF IOWA, ss.
MADISON COUNTY,

Inst. No. 2479 Filed for Record this 5TH day of APRIL 19 93 at 3:14 P.M.
Book 166 Page 379 Recording Fee \$ 40.00 Michelle Utsler, Recorder, By [Signature] Deputy

Indebtedness Assignment of even date herewith, and Sanwa and IAIS desire to assign all of their respective rights and interests to Maytag under the terms of the Mortgage as amended.

NOW, THEREFORE, in consideration of the premises and of the debts and trusts mentioned above and the agreements herein contained and other good and valuable considerations, the parties hereto agree as follows:

1. The First Supplement and Amendment to Indenture of Mortgage, Security Agreement and Assignment of Lease dated January 26, 1988, is deleted in its entirety and this Second Supplement and Amendment to Indenture of Mortgage, Security Agreement and Assignment of Lease (the "Second Supplement" hereafter) shall be substituted therefore.

2. As of the date of this Second Supplement, IAIS shall be identified and referred to as the "Original Mortgagee" and Maytag shall be identified as the "Mortgagee" or "Secured Party", and whenever the term "Institutional Lender" appears the same shall refer to Maytag.

3. Recital 1 on page 1 of the Mortgage is amended so that it reads in its entirety as follows:

"1. The names and addresses of the Debtor and the Secured Party ("Mortgagee") are:

Debtor (Mortgagor): Heartland Rail Corporation
1300 Des Moines Building
Des Moines, Iowa 50309

Attn: Secretary, T. Scott Bannister,
Esq.

Secured Party
(Mortgagee): Maytag Financial Services Corp.
403 West Fourth Street North
Newton, IA 50208

Attn: "President"

4. The Preliminary Statement on pages 2, 3, 4, 5 and 6 of the Mortgage is amended to read in its entirety as follows:

"PRELIMINARY STATEMENT"

The Mortgagor borrowed money from the Original Mortgagee to obtain funds to purchase from Chicago Pacific Corporation ("CPAC"), pursuant to the Contract dated July 20, 1984 between the Mortgagor and CPAC, all of CPAC's right, title and interest in and to approximately 552 track miles of the personal property, equipment, fixtures, rights of way and real property owned by CPAC between

37

Bureau, Illinois and Council Bluffs, Iowa, and certain additional interests and property of CPAC as described in Exhibits A, B-1, B-2 and C to the CPAC Purchase Contract all as more particularly described in Exhibit A hereto (the "Project"). For the foregoing purposes, the Mortgagor issued a single secured Note on October 4, 1984, which was amended on January 26, 1988 (the "Notes").

On or about February 26, 1993, the Notes shall have been released by Sanwa and in their place a new Mortgage Term Note dated February 26, 1993 in the initial principal amount of \$3,030,694.45 shall be executed by Mortgagor and made payable to the Mortgagee, Maytag Financial Services Corp. (the "Term Note" hereafter).

The Term Note shall be expressed to mature on February 26, 2001. Interest shall be payable on the Term Note monthly in arrears on the twenty-sixth (26th) day of each month and interest shall be calculated based upon a floating rate per annum equal to three hundred (300) basis points above the publicly announced Harris Trust and Savings Bank "prime commercial rate" as initially determined on the first day of the calendar month in which the Term Note is funded and thereafter determined on the first day of each calendar month, as the same may change from time to time.

In order to secure the Term Note, the Mortgagor proposes to execute and deliver this Indenture and to mortgage, convey, assign and grant a security interest in the Mortgaged Property (as hereinafter defined) as security for the payment thereof.

The Mortgagor is duly authorized under all applicable provisions of law, its Articles of Incorporation and By-laws to issue the Term Note, to execute and deliver this Indenture and to mortgage, convey, assign and grant a security interest in the Mortgaged Property (as hereinafter defined) as security for the payment thereof.

The Mortgagor is duly authorized under all applicable provisions of law, its Articles of Incorporation and By-laws to issue the Term Note, to execute and deliver this Indenture and to mortgage, convey, assign and grant a security interest in said mortgaged property to the Mortgagee as security for the Term Note; and all corporate action and all consents, approvals and other authorizations required therefor have been duly taken or obtained."

5. Section 1.5 of the Mortgage is amended by deleting the word "Mortgagee" at the beginning of line 2 thereof and substituting the word "Mortgagor" therefor.

6. Section 1.9 of the Mortgage is amended by deleting the word "Mortgagee" in the first line thereof and substituting the word "Original Mortgagee" therefor.

7. Section 1.10 of the Mortgage is amended by deleting the

work "Mortgagee" in the first line thereof and substituting the word "Original Mortgagee" therefor.

8. Section 1.17 of the Mortgage is amended by adding at the end of the sentence therein the phrase "without the consent of the Mortgagee which consent shall not be unreasonably withheld".

9. Section 4.1 of the Mortgage is amended by deleting therefrom the reference in clause (g) thereof to the Security Agreement.

10. Section 6 of the Mortgage is amended by deleting in its entirety the following phrase: "provided that the lien as to said portion of the Mortgaged Property for the benefit of said indebtedness of the Mortgagee shall be junior and subordinate to the lien of this Indenture of Mortgage covering all of the Mortgaged Property for the benefit of the Notes."

11. Section 7.3 of the Mortgage is amended in its entirety so that the addresses therein read as follows:

"If to the Mortgagor: Heartland Rail Corporation
 1300 Des Moines Building
 Des Moines, IA 50309
 Attn: Secretary, T. Scott Bannister,
 Esq.

If to the Mortgagee: Maytag Financial Services Corp.
 403 West Fourth Street North
 Newton, IA 50208
 Attn: President"

12. The following is hereby added to the Mortgage as Section 7.9: "7.9 Future Advances. This Indenture is granted to secure future advances and loans from the Mortgagee, to or for the benefit of the Mortgagor or its successors and assigns or the Mortgaged Property, as provided in the Agreement regardless of whether, at the time or times of such advances, the Mortgagor is then the owner of the Collateral or any interest in any thereof, and costs and expenses of enforcing the Mortgagor's obligations under this Mortgage and the Agreement. All advances, disbursements or other payment under the Agreement shall, to the fullest extent permitted by law, have priority over any and all mechanics' liens and other liens and encumbrances arising after this Indenture is recorded."

13. Each reference in the Mortgage to the Agreement shall hereafter be deemed to include reference to the Term Loan Agreement entered into by Mortgagor and Mortgagee of even date herewith. Each reference in the Mortgage to the Note or the Notes shall hereafter be deemed to include reference to the Term Note.

14. To secure the indebtedness (as defined in the Mortgage as

amended hereby and herein referred to as, the "Indebtedness"), performance and observance of covenants, agreements and conditions described in the preamble to the Granting Clauses on page 6 of the Mortgage, the Mortgagor has warranted, mortgaged, pledged, assigned, hypothecated and granted a security interest unto the Mortgagee and its successors and assigns, in and to , and by these presents does warrant, mortgage, pledge, assign, hypothecate and grant a security interest unto the Mortgagee and its successors and assigns, all of the Mortgagor's right, title and interest, whether now owned or hereafter acquired, in and to the Mortgaged Property (as defined in the Mortgage as amended hereby).

TO HAVE AND TO HOLD the Mortgaged Property, together with the rights, privileges, and appurtenances now or hereafter at any time before the release hereof in anywise belonging or appertaining thereto, unto the Mortgagee forever to secure the payment of the Indebtedness and the performance of the obligations of the Mortgagor herein and in the Mortgage contained.

15. The warranties, covenants and agreements contained in the Mortgage are hereby remade by the Mortgagor and (together with the remedies contained in the Mortgage) are in full force and effect as of the date hereof.

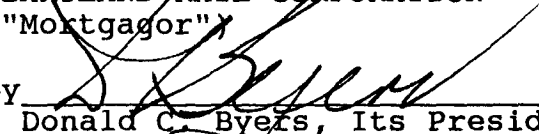
16. This Second Supplement shall be considered as an amendment and supplement to the Mortgage and, except as herein expressly amended and supplemented, the Mortgage is hereby ratified, approved and confirmed in every respect. All references to the Mortgage in any other document shall hereafter be deemed to refer to the Mortgage as amended hereby.

17. This Second Supplement may be executed in any number of counterparts, each of which shall be deemed an original and all of which are identical.

18. Nothing herein contained shall be construed to release or terminate any liens or security interests created by the Mortgage, it being expressly understood that such liens and security interests are continuing and secure the Indebtedness.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Second Supplement on the day, month and year first above written.

HEARTLAND RAIL CORPORATION
("Mortgagor")

By 
Donald C. Byers, Its President

By 
T. Scott Bannister, Its Secretary

MAYTAG FINANCIAL SERVICES CORP.
("Mortgagee")

By *E.S. Elliott*
E.S. Elliott, Its President

By *E.J. Bennett*
E.J. Bennett, Its Secretary

STATE OF IOWA :
:ss.
COUNTY OF JASPER :

I, Ann M. Zenk, a Notary Public in and for the State aforesaid, do hereby certify that E.S. Elliott and E.J. Bennett, personally known to me to be the President and Secretary of Maytag Financial Services Corp., a Delaware corporation, appeared before me this day in person and acknowledged that they, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of Mortgagee, and as its own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 26th day of February, 1993.



Ann M. Zenk
Notary Public in and for the State of Iowa

:
:ss.
COUNTY OF POLK :

I, Ann M. Zenk, a Notary Public in and for the State aforesaid, do hereby certify that Donald C. Byers and T. Scott Bannister, personally known to me to be the President and Secretary of Heartland Rail Corporation, an Iowa corporation, appeared before me this day in person and acknowledged that they, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of the Mortgagor, and as its own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 26th day of February, 1993.



Ann M. Zenk
Notary Public in and for the State of Iowa

This Instrument was prepared by
and when recorded please return to:

T. Scott Bannister
Attorney at Law
1300 Des Moines Building
405 6th Avenue
Des Moines, IA 50309
0960/1\p:\DATA\WP\CORR\11018.DOC

Schedule I

A. Indenture of Mortgage, Security Agreement and Assignment of Lease, dated as of October 4, 1984, from Heartland Rail Corporation, was recorded and filed on October 11, 1984 as follows:

<u>Places Filed</u>	<u>Document</u>	<u>Document Number</u>	<u>Book/Page</u>
Cook County, Illinois	Mortgage	27289838	
	Assignment	27289839	
Bureau County, Illinois	Mortgage	84-3495	642/210
	Assignment	84-3496	642/265
Henry County, Illinois	Mortgage	84-R-4998	
	Assignment	84-R-4999	
Rock Island County, Illinois	Mortgage	84-15941	
	Assignment	84-15942	
Scott County, Iowa	Mortgage	17605-84	
	Assignment	17606-84	
Muscatine County, Iowa	Mortgage	1465	167/533
	Assignment	1466	167/588
Cedar County, Iowa	Mortgage	1927	135/84
	Assignment	1928	134/206
Johnson County, Iowa	Mortgage	33777	733/156
	Assignment	33778	733/211
Jasper County, Iowa	Mortgage	1735	863/124
	Assignment	1736	863/179
Polk County, Iowa	Mortgage	015737	5393/424
	Assignment	015738	5393/479
Marion County, Iowa	Mortgage	1116	201/381
	Assignment	1117	201/436