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SECOND LOAN DOCUMENT MODIFICATION AGREEMENT (AL)

THIS SECOND LOAN DOCUMENT MODIFICATION AGREEMENT is made and entered into as of the 26th day of February, 1998, by and between Western Pocahontas Properties Limited Partnership, a Delaware partnership, whose address is 36th Floor, 601 Jefferson Street, Houston, Texas 77002 (the "Debtor"), and The Travelers Insurance Company, a Connecticut corporation, whose address is One Tower Square - 10BP, Hartford, Connecticut 06183-2021; Attention: Legal Department (the "Travelers");

Inst # 1998-07311

W I T N E S S E T H:

WHEREAS, pursuant to that certain loan agreement dated as of December 3, 1987, between Debtor and Travelers (the "Original Loan Agreement"), Travelers made a loan (the "Original Loan") to Debtor upon the terms and conditions set forth in the Original Loan Agreement, all as is more particularly described therein; and

WHEREAS, the Original Loan was evidenced by a \$35,000,000.00 note ("Note 1") and a \$70,000,000.00 note ("Note 2"), and was secured by the Security Agreement, the Contract Assignment and the Mortgages (including deeds of trust and credit line deeds of trust), the Financing Statements, the Assignments of Leases and Rents, the Pledge Agreements, all as defined in the Original Loan Agreement and was further secured by an assignment of a security interest in certain certificate of deposit (the "CD Assignment") and a pledge and assignment of deposit account (the "Account Assignment") (the foregoing documents being among the "Loan Documents", as defined in the Original Loan Agreement, and,

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exclusive of the Notes and Pledge Agreements, being hereinafter referred to as the "Original Collateral Documents"); and

WHEREAS, certain of the Original Collateral Documents were filed and recorded in various public offices which are identified, together with the filing and recordation data therefor, in the recordation schedule attached hereto and made a part hereof as Exhibit A (with the UCC-1's being indexed in the real estate records; and

WHEREAS, on or about July 16, 1992, Travelers made a further advance of loan proceeds to Debtor in the amount of \$11,381,542.41 (the "Re-Advance") which was secured by the Original Collateral Documents; and

WHEREAS, Note 1 was modified to evidence the Re-Advance pursuant to an allonge (the "Allonge"), a copy of which, except for signature, was attached to various Loan Document Modification Agreements dated as of July 10, 1992 (the "First Loan Document Modification Agreements"), which were recorded in various public offices which are identified, together with the filing and recordation data therefor, in the recordation schedule attached hereto and made a part hereof as Exhibit A and as to which UCC-3 Amendments (the "UCC-3 Modifications") were filed in July of 1992 in various public offices which are identified, together with any new file number assigned to such UCC-3 Modification under the column marked "1992 UCC Amendment" of said Exhibit A (the Original Collateral Documents as amended by the First Loan Document Modification Agreements, and the UCC-3 Modifications

being hereinafter collectively referred to as the "Existing Collateral Documentation"); and

WHEREAS, the outstanding principal balance of Note 1 before the Re-Advance was \$8,888,457.59 and the outstanding principal balance of the Note 1, as modified, after the Re-Advance was \$20,270,000.00; and

WHEREAS, pursuant to that certain Loan Modification Agreement between the Debtor and Travelers dated as of the July 10, 1992 (the "Loan Modification Agreement") the Debtor and Travelers modified the Original Loan Agreement and all Original Collateral Documents as was necessary to reflect the Re-Advance, the resulting modification to Note 1, and the agreement that the payment of Note 1, as modified, continued to be secured under and by all of the Existing Collateral Documents; and

WHEREAS, such of the Existing Collateral Documents as constitute financing statements were continued by the filing of continuation statements in 1992 and 1997 in various public offices which are identified, together with the filing and recordation data therefor, in the recordation schedule attached hereto and made a part hereof as Exhibit B; and

WHEREAS, Travelers was, is and remains the owner and holder of Note 1, (both before and after modification to evidence the Re-Advance) and Note 2; and

WHEREAS, as of the date of recordation hereof, the outstanding principal balance of Note 1 is \$3,319,225.61 and the outstanding principal balance on Note 2 is \$36,079,309.69; and

WHEREAS, pursuant to terms of that certain Agricultural Mortgage Loan Application received from Debtor by Travelers on or about November 4, 1997 as amended to the date hereof (the "Application"), Debtor has requested Travelers to make, and Travelers has agreed to make to Debtor, pursuant to an Amended and Restated Loan Agreement of even date herewith (the "Amended and Restated Loan Agreement"), a term loan in the aggregate principal amount of Sixty Million Dollars (\$60,000,000) (said Renewed, Extended and Consolidated Loan, being hereinafter referred to as the "Loan") of which \$39,398,535.30 shall be a renewal and extension in part of the outstanding principal balances of Notes 1 and 2 and \$20,601,464.70 shall be a re-advance and with the Loan to be evidenced by three promissory notes of Debtor in the respective principal amounts of \$35,000,000 (the "Thirty-Five Million Dollar Note"), \$22,000,000 (the "Twenty-Two Million Dollar Note") and \$3,000,000 (the "Three Million Dollar Note") collectively aggregating \$60,000,000 (the Thirty-Five Million Dollar Note, the Twenty-Two Million Dollar Note and the Three Million Dollar Note will hereinafter be called the "Notes"). and, to be secured by most of the Existing Collateral Documentation, as continued, as was described in the Original Loan Agreement; and

WHEREAS, Debtor is desirous of obtaining the Loan on such basis; and

WHEREAS, Note 1 and Note 2 have been replaced, amended, restated, extended and renewed by and into the Notes; and

WHEREAS, pursuant to the Amended and Restated Loan Agreement the Debtor and Travelers have agreed to modify, either by amendment or amendment and restatement, the Existing Collateral Documentation, as continued to the extent necessary to reflect the Loan (being the 1998 readvance and the consolidation, extension and renewal of the balances of Notes 1 and 2), the evidencing of the Loan by the Notes, and the agreement that the payment of the Loan as evidenced by the Notes, continues to be secured under and by the Existing Collateral Documentation, as continued and amended; and

NOW, THEREFORE, WITNESSETH: That for and in consideration of the premises which are not mere recitals, but are an integral part hereof, the execution and delivery of the Notes, the execution and the delivery of the Amended and Restated Loan Agreement, the covenants and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. All of the Existing Collateral Documentation are hereby modified, amended and supplemented, to the extent necessary, to show that each item included therein secures the payment of the Loan as evidenced by the Notes in lieu of, and in substitution for, the Original Loan and Re-advance as evidenced by Note 1, as amended by the Allonge, and Note 2.

2. The notice address for The Travelers Insurance Company as set forth in the Loan Documents is hereby amended to read as follows:

The Travelers Insurance Company
1 Tower Square - 10BP
Hartford, Connecticut 06183-2021
Attention: Legal Department

with copies to:

McGuire, Woods, Battle & Boothe, LLP
One James Center
Richmond, Virginia 23219
Attention: William F. Gieg

and

The Travelers Companies
6750 Poplar Avenue, Suite 109
Memphis, Tennessee 38138
Attention: S. Peter Headley

The notice address for Debtor is hereby amended to read as follows:

Western Pocahontas Properties Limited Partnership
36th Floor
601 Jefferson Street
Houston, Texas 77002
Attention: Corbin J. Robertson, Jr.

With copies to:

Vinson & Elkins
1001 Fannin Street
Houston, Texas 77002-6760
Attention: Bert L. Campbell

and

Mr. W. W. Scott, Jr.
36th Floor
601 Jefferson Street
Houston, Texas 77002

3. The list of leases attached (a) to the Mortgages as Exhibit E and (b) to the Assignment of Leases as Exhibit B is hereby amended, replaced and superseded by the list of currently existing leases having a term extending beyond December 31, 1998 which is attached hereto and made a part hereof as Exhibit C.

4. In addition to the other amendments and modifications specified herein, each of the Mortgages is further modified and amended as follows:

(a) The Notes shall be deemed to replace and be substituted for the Notes which were originally attached as to the Mortgages as Exhibits B and C. The Maturity Date of the Notes is April 1, 2013.

(b) References in the Mortgages to the "Loan Agreement" shall henceforth mean the Amended and Restated Loan Agreement.

(c) Reference in the Mortgages to the "Loan Documents" shall henceforth include all amendments or modifications thereto or restatements thereof including such as are executed pursuant to or in connection with the Amended and Restated Loan Agreement with the following exceptions:

(i) References to Pennsylvania property or documentation are deleted.

(ii) The Pledge Agreement defined as the Gauley Stock Pledge Agreement is deleted.

5. The Existing Collateral Documentation, as modified hereby, is hereby ratified and re-affirmed as of the date hereof.

6. A duplicate original of this Second Loan Document Modification Agreement shall be recorded in each jurisdiction in which a Mortgage, an Assignment of Leases and Rents, a financing statement filed in real estate records or, a UCC-1 financing statement is recorded or filed all as set forth in the attached Recordation Schedules (Exhibits A and B). Upon filing or recordation, this Loan Document Modification Agreement is to be cross-indexed to the recorded or filed Existing Collateral Documentation, as continued, referred to in the attached Recordation Schedules (Exhibits A and B). If this Second Loan Document Modification Agreement is to be recorded in a jurisdiction in which the Mortgages take the form of a deed of trust or credit line deed of trust made in favor of trustees and the joinder of such trustees is necessary to effect the modifications being made hereby, then attached hereto is a joinder executed by the trustees named in any such Mortgage whereby each such trustee joined in this Second Loan Document Modification Agreement for the sole purpose of acknowledging and agreeing to the modification and supplementation of the Mortgage made in favor of such trustee. Travelers certifies that (a) it is the sole holder of the Notes, and (b) until the time of the consolidation of Notes 1 and 2 into the Notes, it was the sole holder of Note 1 as originally stated and as modified by the

Allonge, and Note 2. Travelers authorizes and directs each such trustee to execute any such joinder to this Second Loan Document Modification Agreement.

7. This Second Loan Document Modification Agreement shall be governed by and construed in accordance with the laws of the state in which the same is recorded or filed.

8. Except as provided herein, in any specific amendment to or restatement of any Existing Collateral Documentation, or in the Amended and Restated Loan Agreement, the Existing Collateral Documentation, as continued and amended, remains in full force and effect, and the rights, duties and obligations of the parties thereto remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective representatives thereunto duly authorized all as of the day and year first above written.

WESTERN POCAHONTAS PROPERTIES
LIMITED PARTNERSHIP, a Delaware
limited partnership

By: Western Pocahontas Corporation,
a corporation
Its General Partner

By: Nick Carter
Its: President

THE TRAVELERS INSURANCE COMPANY,
a Connecticut corporation

By: John J. Judd
Its: Vice President

STATE OF WEST VIRGINIA,

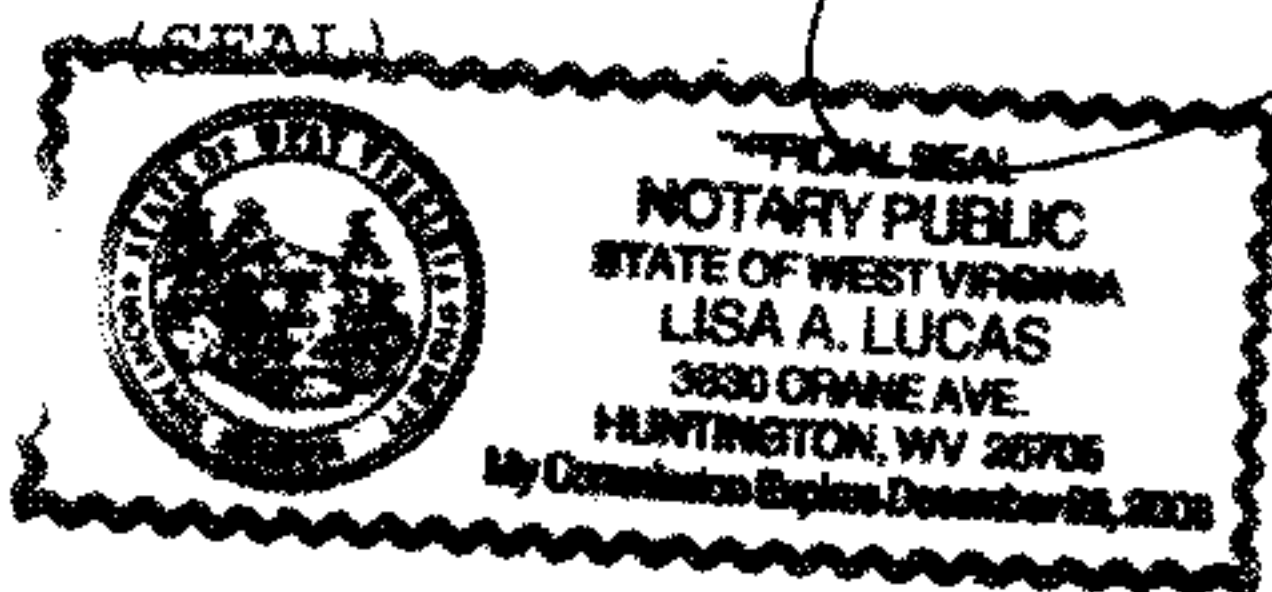
COUNTY OF CABELL, TO-WIT:

I, the undersigned authority, a Notary Public in and for the State and County, hereby, do certify that Nick Carter, whose name as President of Western Pocahontas Corporation, a Texas corporation, the General Partner of Western Pocahontas Properties Limited Partnership, a Delaware limited partnership, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation, as General Partner of Western Pocahontas Properties Limited Partnership, a limited partnership.

Given under my hand and official seal this 2nd day of March, 1998.

My commission expires the 22nd day of Dec., 2003.


Notary Public



STATE OF TENNESSEE,

COUNTY OF SHELBY, TO-WIT:

I, the undersigned authority, a Notary Public in and for the State and County, hereby, do certify that s. Peter Headley, whose name as Vice President of The Travelers Insurance Company, a Connecticut corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 27th day of February, 1998.

My commission expires the 23rd day of February, 2000.

(SEAL)


Notary Public

This Instrument Prepared By:

Thomas H. Gilpin
Huddleston, Bolen, Beatty, Porter & Copen
P. O. Box 2185
Huntington, WV 25722

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EXHIBIT A to
Second Loan Document Modification Agreement

RECORDATION SCHEDULE (STATE OF ALABAMA)

Borrower: Western Pocahontas Properties Limited Partnership

Secured Party: The Travelers Insurance Company

<u>Filing Office</u>	<u>1987 Mortgage Book/Page</u>	<u>1987 Assignment of Rentals Book/Page</u>	<u>1987 UCC-1 File # and File Date</u>	<u>1992 Loan Doc. Modification</u>	<u>1992 UCC Intangibles File # and File Date</u>
Bibb Co. Judge of Probate	Mortgage 164/697	Assignment 164/697	#11886 12/29/87	Mtg. 174/556	#11886 7/15/92
Blount Co. Judge of Probate	Mortgage 463/517	Deed 323/577	#82174 12/30/87	Mtg. 499/349	#82174A 7/14/92
Chilton Co. Judge of Probate	Mortgage 35/759	Mortgage 35/807	#91587 12/30/87	Mtg. 83/756	#91587 7/15/92
Cullman Co. Judge of Probate	Mortgage Fiche 732/ Frame A-2	Assignment Fiche 733/ Frame D-8	#169314 12/29/87	Mtg. 917/369	#169314 7/15/92
Jefferson Co. (Birmingham Div.) Judge of Probate	Real Property 3306/896	Real Property 3306/945	#620351 12/29/97	Real Property 4315/645	#92352 7/14/92
Morgan Co. Judge of Probate	Real Estate Conveyance 1242/603	Real Estate Conveyance 1242/651	#043637 12/29/87	Mtg. 1417/98	#4735 7/15/92
St. Clair Co. (Ashville Div.) Judge of Probate	Mortgage 235/39	Deed 165/292	#26866 12/30/87	Mtg. 284/0170	#26866 7/14/92
Shelby Co. Judge of Probate	Mortgage 165/339	Mortgage 165/387	#018895 12/30/87	Inst. # 1992-14084	Inst. # 1992-14085 7/15/92
Tuscaloosa Co. Judge of Probate	Mortgage 1413/423	Deed 962/315	#A1145 12/29/87	Mtg. 1576/293	Inst. # 95094-0081 7/15/92
Walker Co. Judge of Probate	Mortgage 1307/804	Assignment 1293/39611	#73963 12/29/87	Mtg. 1394/63	#73963 7/15/92
Alabama Secretary of State	NA	NA	#A267308 12/29/87	NA	#A267308 AM 7/15/92

EXHIBIT B to
Second Loan Document Modification Agreement

CONTINUATION STATEMENT RECORDATION DATE (STATE OF ALABAMA)

Debtor: Western Pocahontas Properties Limited Partnership

Secured Party: The Travelers Insurance Company

Jurisdiction/ Filing Offices	Original File # and Filing Date	1992 Modification File # and Filing Date	1992 Continuation File # and Filing Date	1997 Continuation File # and Filing Date
Bibb Co. Judge of Probate	#11886 Dec. 29, 1987	#11886 July 15, 1992	#16231 Dec. 7, 1992	#18257 Aug. 15, 1997
Blount Co. Judge of Probate	#82174 Dec. 30, 1987	#82174A July 14, 1992	#82174(A) - (B) Dec. 8, 1992	#82174C Aug. 8, 1997
Chilton Co. Judge of Probate	#91587 Dec. 30, 1987	#91587 July 15, 1992	#98574 Nov. 24, 1992	#05496 Aug. 29, 1997
Cullman Co. Judge of Probate	#169314 Dec. 29, 1987	#169314 July 15, 1992	#185799 Nov. 24, 1992	#204328 Aug. 15, 1992
Jefferson Co. (Birmingham Div.) Judge of Probate	#620351 Dec. 29, 1987	#92352 July 14, 1992	#666059 Nov. 25, 1992	#9709/7127 Aug. 19, 1997
Morgan Co. Judge of Probate	#043637 Dec. 29, 1987	#004735 July 15, 1992	#005900 Dec. 8, 1992	#021870 Aug. 14, 1997
St. Clair Co. (Ashville Div.) Judge of Probate	#26866 Dec. 30, 1987	#26866 July 14, 1992	#30259 Nov. 25, 1992	#0033128 Aug. 29, 1997
Shelby Co. Judge of Probate	#18895 Dec. 30, 1987	Inst. # 1992-14085 July 15, 1992	Inst. # 1992-28067 Nov. 24, 1992	Inst. # 1997-25964 Aug. 14, 1997
Tuscaloosa Co. Judge of Probate	#A1145 Dec. 29, 1987	Inst. # 95094-0081 July 15, 1992	#0009128 Dec. 11, 1992	#1997-5400 Aug. 15, 1997
Walker Co. Judge of Probate	#73963 Dec. 29, 1987	#73963 July 15, 1992	#83730 Dec. 3, 1992	#92242 Aug. 20, 1997
Alabama Secretary of State	#A267308 Dec. 29, 1987	#A267308 AM July 15, 1992	#B A267308 CS Nov. 24, 1992	#B A267308 CS Aug. 14, 1997

EXHIBIT C TO
SECOND LOAN DOCUMENT MODIFICATION AGREEMENT

CURRENTLY EXISTING ALABAMA LEASES

NONE

Inst # 1998-07311

see HCC3 Inst #
1998-
07312
Inst # 1998-07311

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