

LAW OFFICES

BASS, BERRY & SIMS

FIRST AMERICAN CENTER
NASHVILLE, TENNESSEE 37238

June 27, 1984

F. M. BASS (1875-1943)
F. A. BERRY (1885-1965)
CECIL SIMS (1893-1968)
F. M. BASS, JR. (1904-1959)

TELEPHONE (615) 244-5370

J. O. BASS
W. W. BERRY
WILSON SIMS
T. G. PAPPAS
FRANK A. BERRY, JR.
FRANK C. GORRELL
WALTER M. ROBINSON, JR.
J. O. BASS, JR.
RUSSELL F. MORRIS, JR.
J. BRADBURY REED
E. WARNER BASS
ROBERT J. WALKER
WILLIAM N. OZIER
CHARLES K. WRAY
JAMES H. CHEEK, III
JOHN H. BAILEY, III
JAMES C. GOOCH
ROBINS H. LEDYARD
WILLIAM W. BERRY, JR.
STAFFORD McNAMEE, JR.
JOHN S. BRYANT
H. LEE BARFIELD, II
JAY S. BOWEN
MICHAEL S. PEEK
JAMES W. BERRY, JR.
BOB F. THOMPSON

KEITH B. SIMMONS
G. T. NEBEL
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E. CLIFTON KNOWLES
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R. DALE GRIMES
JAMES S. TATE, JR.
JOHN L. UNGER
C. DEWEES BERRY, IV
KAREN L. C. ELLIS
JANET M. HARDING
ANTHONY J. McFARLAND
JAMES D. ANDERSON
SAMUEL E. STUMPF, JR.
G. SCOTT THOMAS
CARTER R. TODD
F. MITCHELL WALKER, JR.
DELTA ANNE DAVIS
WALLACE W. DIETZ

WRITER'S DIRECT DIAL

4-181A023

No. JUN 29 1984 615-742-6227

Date _____

Fee \$ 50.00

ICC Washington, D.C.

14361
RECORDATION NO. Filed 1425

Interstate Commerce Commission
12th Street & Constitutional Ave., N.W.
Washington, D.C. 20423

JUN 29 1984 2:50 PM

INTERSTATE COMMERCE COMMISSION

ATTENTION: Mildred Lee
Room 2303

RE: Security Agreement between First American National
Bank of Nashville and Seminole Coals, Inc. Concerning
138 Rail Cars

Dear Mrs. Lee:

Enclosed are the original and an executed notarized copy
of a Loan and Security Agreement and a check in the amount of
\$50.00 for the recording fee.

The names and addresses of all parties to this transaction
are as follows:

Borrower: Seminole Coals, Inc.
Rural Route 4
Loogootee, Indiana 47553

and

95 White Bridge Road
Suite 404
Nashville, TN 37205

RECEIVED

JUN 29 2 45 PM '84

FEE OPERATION BR
I. O. C.

Guarantor: Seminole Energy, Inc.
Rural Route 4
Loogootee, Indiana 47553

and

100 West 10th Street
Wilmington, Delaware 19801

and

95 White Bridge Road
Suite 404
Nashville, TN 37205

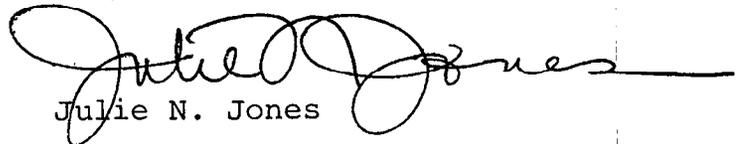
Lender: First American National Bank
of Nashville
First American Center
Nashville, TN 37237
Attention: Mack Linebaugh

The rail cars covered by the Loan and Security Agreement are 138 rail cars bearing the markings WPSX 50001 through WPSX 50138 as more particularly described on Exhibit A to the Loan and Security Agreement (Exhibit A begins with Page 19).

Please return the original of the Loan and Security Agreement to my attention at the above address. I have enclosed an adhesive address label for this purpose.

If there is any problem with the prompt recordation of this document, please let me know immediately. Thank you for your attention to this matter.

Very truly yours,


Julie N. Jones

JNJ/kts

Enclosure

Interstate Commerce Commission
Washington, D.C. 20423

6/29/84

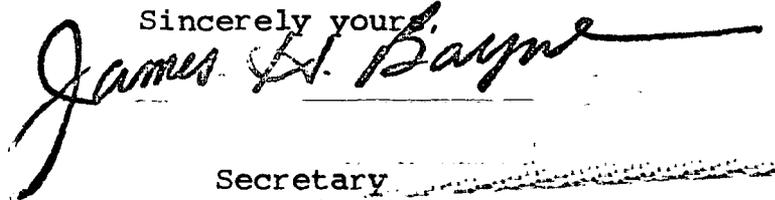
OFFICE OF THE SECRETARY

Julie N. Jones
Bass, Berry, & Sims
First American Center
Nashville, Tenn. 37338

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 6/29/84 at 2:50pm and assigned re-
recording number (s) .14361

Sincerely yours,


Secretary

Enclosure (s)

14361
RECORDATION NO. _____ Filed 1425

JUN 29 1984 2 20 PM

INTERSTATE COMMERCE COMMISSION

JNJBK00156 6/21/84

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement (hereinafter called the "Agreement") is made and entered into this 27th day of June, 1984, by and among SEMINOLE COALS, INC., formerly named Green Bay Fuels, Inc., a Kentucky corporation having its principal offices at Rural Route 4, Loogootee, Indiana 47553, and having a mailing address at 95 White Bridge Road, Suite 404, Nashville, Tennessee 37205 (hereinafter called "Borrower"); SEMINOLE ENERGY, INC., formerly named New Green Bay Fuels, Inc., a Delaware corporation having its principal offices at Rural Route 4, Loogootee, Indiana 47553, and having mailing addresses at 100 W. Tenth St., Wilmington, Delaware 19801, and 95 White Bridge Road, Suite 404, Nashville, Tennessee 37205 (hereinafter called "Guarantor") and FIRST AMERICAN NATIONAL BANK OF NASHVILLE, a national banking association with its principal offices in Nashville, Tennessee (hereinafter called "Lender").

W I T N E S S E T H:

1. Recitals. Borrower has requested that Lender make a loan to Borrower (the "Loan"), to pay a portion of the purchase price of the units of railroad equipment described herein, which will be utilized by Wisconsin Public Service Corporation ("WPS"), pursuant to three Letter Agreements dated March 12, 1984, March 13, 1984, and June 11, 1984, respectively, and that certain Coal Supply Agreement dated October 7, 1982, as amended on February 10, 1984, all by and between Borrower and WPS (such Letter Agreements and Coal Supply Agreement as amended hereinafter collectively referred to as "WPS Agreement"). In order to induce Lender to make the Loan, the Borrower has agreed to execute this Agreement and to secure its obligation to Lender by the equipment purchased, and Guarantor has agreed to execute this Agreement and that certain Guaranty of even date herewith (the "Guaranty"), Borrower being a wholly-owned subsidiary of Guarantor.

Executed +
notarized
Copy

2. Grant of Security. Borrower does hereby transfer, assign, grant, bargain, sell, convey, hypothecate, and pledge to Lender, its successors and assigns, a security interest in all right, title and interest of the Borrower which presently exists or which may hereafter arise, in, to and under the following (all of the properties in which Lender is hereby granted a security interest being hereinafter called collectively the "Collateral"): One hundred and thirty-eight (138), 100-ton hopper cars as more fully described on Exhibit A hereto, which is incorporated herein, together with (i) any and all accessories, equipment, parts and improvements now or at any time hereinafter attached or appertaining thereto, and (ii) any and all substitutions, renewals and replacements for, and any additions, accessions and accumulations to, any and all of such cars (such cars, together with such accessories, equipment, parts, improvements, substitutions, replacements, additions, accessions and accumulations being hereinafter called collectively the "Cars" and severally a "Car"), and the proceeds thereof.

3. Indebtedness Secured. The security interest created and granted hereby is given to secure an indebtedness for borrowed money evidenced by a Secured Promissory Note of even date herewith in the principal amount of \$1,250,000 executed by Borrower as maker, payable to the order of Lender as provided therein, together with any renewals or extensions thereof, and notes given in payment of interest thereof, and all attorney fees, court costs, and expenses of whatever kind incident to the collection of said indebtedness and the enforcement and protection of the security created hereby. The security interest and mortgage granted hereby further secures all future advances made by Lender for taxes, levies, insurance and preservation of the Collateral and all other money heretofore or hereafter advanced by Lender to or for the account of Borrower at the option of Lender, and all other present or future, direct or contingent liabilities or indebtedness of

Borrower to Lender of any nature whatsoever and any extensions or renewals thereof (all of said indebtedness described in this Paragraph 3 shall hereinafter be called "Indebtedness").

4. Covenants, Representations and Warranties. Borrower and, when specified, Guarantor covenant, represent, warrant, and agree as follows:

(a) The Cars are being acquired by Borrower with the proceeds of the Loan and Lender is authorized to disburse the proceeds of the Loan directly to _____ . Borrower will defend the Collateral against the claims and demands of all persons, and the Collateral will be free and clear of all liens and security interests except for items existing as of the date hereof as provided in the following subparagraph;

(b) Borrower is the record and beneficial owner of all right, title, and interest in the Collateral free and clear of all liens, charges and encumbrances, except for the rights of WPS under the WPS Agreement, which rights are subordinate to and subject to the rights of Lender hereunder, and except for liens, charges and encumbrances of which Borrower has no actual knowledge and that will not have priority over the lien of Lender when the lien of Lender recorded with the Interstate Commerce Commission;

(c) Borrower has full right and power to grant a security interest in the Collateral to Lender free of any contractual provision binding on the Borrower or its assets;

(d) There is no financing statement or other filed or recorded instrument in which the Borrower is named and which the Borrower has signed or permitted to be filed or recorded covering any of the Collateral (except the instruments filed or to be filed in respect of the security interest provided herein);

(e) Borrower will pay the Lender all amounts secured hereby as and when the same shall be due and payable,

whether at maturity, by acceleration, or otherwise, or when Lender in good faith deems itself insecure for any reason, and will perform all terms of any instrument evidencing or securing the Indebtedness or any part of it and this or any other security or loan agreement between the Borrower and Lender, and will discharge all said liabilities;

(f) Borrower will at all times keep or cause WPS to keep the Cars fully insured against all insurable hazards as customary in the industry and shall carry or cause WPS to carry public liability insurance as customary in the industry and as required by any applicable law or regulation. Such insurance shall be in such companies as may be acceptable to Lender, with provisions satisfactory to Lender for payment of all losses thereunder to Borrower and Lender as their interests may appear. Any money received by Lender under said policies may be applied to the payment of the Indebtedness, whether or not due and payable, or at Lender's option may be delivered by Lender to Borrower or to such person as Borrower shall direct for the purpose of repairing and restoring the Cars. Borrower assigns to Lender all right to receive proceeds of insurance not exceeding the amount secured hereby, directs any insurer to pay all proceeds directly to Lender, and Lender is appointed Borrower's Attorney-in-Fact to make any claim or to endorse any draft or check made payable to Borrower in order to collect the benefits of such insurance. If Borrower fails to keep or cause WPS to keep the Cars insured as required by Lender, Lender shall have the right to obtain such insurance at Borrower's expense and add the cost thereof to the other amounts secured hereby; provided, however, that Lender shall in no way be obligated to obtain such insurance and Borrower's failure may be deemed to be an Event of Default under this Agreement;

(g) Borrower will cause the Cars to be kept in good condition and repair and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost of repairs to or maintenance of same, and will not permit anything to be done that may impair the value of any of the Cars. If Borrower fails to pay such sums or cause such sums to be paid, Lender may do so for Borrower's account and add the amount thereof to the other amounts secured hereby; provided, however, that Lender shall in no way be obligated to pay such sums and Borrower's failure may be deemed to be an Event of Default under this Agreement;

(h) Borrower will pay all costs of filing fees incurred in the perfection and continuation and protection of the perfection of the security interest created hereby including but not limited to the cost of filing with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303. Lender is authorized to do all things that it deems necessary to perfect and continue perfected the security interest created hereby and to protect the Collateral, all at Borrower's expense;

(i) Borrower will not sell, exchange, lease or otherwise dispose of any of the Collateral without the prior written consent of Lender, except pursuant to the terms of the WPS Agreement; permit any liens or security interests to attach to any of the Collateral except as created by this Agreement; permit any of the Collateral to be levied upon under any legal process; permit anything to be done that may impair the security intended to be afforded by this Agreement;

(j) The Cars will be utilized by WPS in its operations pursuant to the WPS Agreement described in Paragraph 1 hereof. Borrower shall notify Lender upon the termination of the WPS Agreement or change in the use of the Cars other than as pursuant to the WPS Agreement;

(k) Borrower will not declare or exercise any of its remedies under, or accept a surrender of, or offer or agree to any assignment, termination, modification or surrender of, the WPS Agreement as it relates to the Collateral, or by affirmative act consent to the creation or existence of any security interest or other lien in or on the WPS Agreement or any part thereof, other than the existing lien of First National Bank of Louisville;

(l) There is presently no event or condition constituting a breach or default by Borrower or WPS under the WPS Agreement to the best of Borrower's knowledge. Borrower will give Lender prompt written notice of any such event or condition if the Borrower has actual knowledge thereof;

(m) Borrower will at its own expense duly comply with and perform all the covenants and obligations of the Borrower under the WPS Agreement and will at its own expense seek to cause the WPS to comply with and observe all the terms and conditions of the WPS Agreement and, without limiting the foregoing, at the request of Lender, the Borrower will at its own expense take such action with respect to the enforcement of, and the duties and obligations of WPS under, the WPS Agreement as it relates to the Collateral, as Lender may from time to time request. Without Lender's prior consent, Borrower shall not take any action to amend, modify, or terminate the WPS Agreement as it relates in any way to the Collateral or payments in respect thereof or settle, adjust, compound or compromise any claims of the Borrower against the WPS thereunder that relate in any way to the Collateral or payments in respect thereof;

(n) Borrower shall not change, or permit to be changed, the identifying letters and numbers of the Cars from such identifying letters and numbers of the Cars set forth herein, except in accordance with a statement of new

numbers to be substituted therefor which previously shall have been delivered to Lender and which shall be filed and recorded by the Borrower in like manner as this Agreement;

(o) Borrower shall not lease the Cars, or permit the Cars to be leased, to any railroad, or pursuant to any lease of equipment; except in accordance with a statement of new railroad or lease of equipment, as appropriate, which previously shall have been delivered to Lender and which shall be filed and recorded by the Borrower in like manner as this Agreement;

(p) Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Kentucky; and has the corporate power to own and operate its properties, to carry on its business as now conducted and to enter into and to perform its obligations under this Agreement and the WPS Agreement. Borrower is duly qualified to do business and in good standing in the States of Indiana and Kentucky and in each state in which a failure to be so qualified would have a material adverse effect on Borrower's financial position or its ability to conduct its business in the manner now conducted. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; and has the corporate power to own and operate its properties, to carry on its business as now conducted and to enter into and to perform its obligations under the Guaranty. Guarantor is duly qualified to do business and in good standing in each state in which a failure to be so qualified would have a material adverse effect on Guarantor's financial position or its ability to conduct its business in the manner now conducted;

(q) Borrower and Guarantor have full legal right, power and authority to conduct their business and affairs in the manner contemplated by this Agreement, the WPS Agreement, and the Guaranty and to enter into and perform

their obligations thereunder, without the consent or approval of any other person, firm, governmental agency or other legal entity, whose consent has not been obtained. The execution and delivery of this Agreement, the borrowing hereunder, the execution and delivery of the WPS Agreement and the Guaranty, and the performance by Borrower and Guarantor of their obligations thereunder are all within the corporate powers of Borrower and Guarantor and have been duly authorized by all necessary corporate action properly taken, have received all necessary governmental approvals, if any were required, and do not and will not contravene or conflict with any provision of law, any applicable judgment, ordinance, regulation or order of any court or governmental agency, the charter or by-laws of Borrower or Guarantor, or any agreement binding upon Borrower, Guarantor, or their properties. The officer(s) executing this Agreement, the note secured hereby, the WPS Agreement, and the Guaranty are or were at the time of execution duly authorized to act on behalf of Borrower or Guarantor, as the case may be;

(r) This Agreement, the note secured hereby, the WPS Agreement, and the Guaranty are the legal, valid and binding obligations of the parties thereto, enforceable in accordance with their respective terms;

(s) Neither Borrower nor Guarantor is a "rail carrier" within the meaning of 49 U.S.C. § 11301; and

(t) Borrower and Guarantor have obtained and will continue to hold all necessary licenses, permits and governmental approvals and authorizations necessary or proper in order to conduct their business and affairs as heretofore conducted and as hereafter intended to be conducted. Borrower and Guarantor are and will remain in compliance with all laws, regulations, decrees and orders applicable to them (including without limitation laws, regulations, decrees and orders relating to environmental, occupational

and health standards and controls, antitrust, monopoly, restraint of trade or unfair competition), except to the extent that noncompliance, in the aggregate, cannot reasonably be expected to have a material adverse effect on their business, operations, property or financial condition and will not materially adversely affect their ability to perform their obligations hereunder, under the WPS Agreement, or under the Guaranty. Neither Borrower nor Guarantor has received, or expects to receive, any order or notice of any violation or claim of violation of any law, regulation, decree, rule, judgment or order of any governmental authority or agency relating to the ownership and/or operation of their properties, as to which the cost of compliance is or might be material and the consequences of noncompliance would or might be materially adverse to their business, operations, property or financial condition, or which would or might impair their ability to perform their obligations hereunder, under the WPS Agreement, or under the Guaranty. Borrower or Guarantor will provide Lender with a copy of any such order or notice promptly upon receipt thereof.

5. Application of Proceeds of Certain Prepayments.

Without regard to whether an Event of Default under Paragraph 6 hereof has occurred and is continuing, the Borrower agrees that it will pay over to Lender all moneys paid to it for the loss, theft, destruction or damage beyond economical repair of any Collateral. Lender shall apply each payment of such moneys to the payment of the Indebtedness as the Lender may determine. From and after the date hereof the Borrower shall promptly transmit to Lender any notice or information it receives concerning loss, theft, destruction or damage beyond economical repair to Collateral.

6. Events of Default. Borrower shall be in default (any of the following being herein called "Events of Default") upon failure to pay when due any amount payable hereunder,

under any promissory note or any other instrument evidencing or further securing the Indebtedness; or upon the failure of Borrower or Guarantor to observe or perform any of their agreements or covenants herein contained or contained in any instrument evidencing or further securing the Indebtedness or contained in the WPS Agreement or the Guarantor; or if any warranty, representation, or statement by Borrower or Guarantor contained herein or furnished in connection herewith is false or misleading; or if the WPS Agreement shall be terminated for any reason; or if proceedings in which Borrower, WPS, or Guarantor is alleged to be insolvent or unable to pay its debts as they mature are instituted by or against Borrower, WPS, or Guarantor under any provisions of the Bankruptcy Law or any other law; or if Borrower, WPS, or Guarantor makes an assignment for the benefit of creditors; or if Lender in good faith deems itself to be insecure.

7. Remedies. In case of the happening of any Event of Default, without further notice, Lender may declare the entire Indebtedness immediately due and payable and may proceed to enforce its rights under the note or any other instrument secured hereby, or under the Guaranty, with or without resort to the Collateral; or Lender may by its agents enter upon the premises of Borrower (or premises under Borrower's control) where any of the Collateral may be and take possession of all or any part of the Collateral and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of the Collateral (as to amounts paid for coal under the WPS Agreement, this shall include only that portion attributable to amortization of the Indebtedness pursuant to the Letter Agreements), and shall be entitled to collect, receive and retain all unpaid per ton, per diem, incentive per diem, mileage or other charges of any kind earned by the Collateral (as to amounts paid for coal under the WPS Agreement, this shall include only that portion attributable to amortization of the Indebtedness pursuant to the Letter Agreements),

and may lease or otherwise contract for use of any of the Collateral; or Lender may, with or without retaking possession, sell any of the Collateral, free from any and all claims of the Borrower at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale for cash or upon credit in the discretion of Lender, and may proceed otherwise to enforce its rights, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, Lender may itself bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as Lender may specify, or as may be required by law, and without gathering at the place of sale the Collateral to be sold, and in general in such manner as Lender may determine.

No such taking of possession, withdrawal, lease or sale of the Collateral or any part thereof by Lender shall be a bar to the recovery by Lender from the Borrower of any of the Indebtedness then or thereafter due and payable, and the Borrower shall be and remain liable for the same until such sums have been realized as, with the proceeds of the Lease or sale of the Collateral, shall be sufficient for the discharge and payment in full of all the Indebtedness.

Any sale or sales pursuant to the provisions hereof, whether under the power of sale granted hereby or pursuant to any legal proceedings, shall operate to divest the Borrower of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the Collateral so sold, and shall be free and clear of any and all rights of redemption by, through or under the Borrower, the Borrower hereby covenanting and agreeing that it will not at any time insist upon or plead, or take the benefit or advantage of or from, any law now or hereafter in force providing for a valuation or appraisal of the Collateral prior to any sale or sales thereof or providing for any right to redeem the Collateral or any part thereof. The receipt by Lender, or by any person authorized under any

judicial proceedings to make any such sale, shall be a sufficient discharge to any purchaser of the Collateral, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such purchase money, or be bound to inquire as to the authorization, necessity or propriety of any such sale. In the event at any such sale the holder or holders of the Indebtedness is or are the successful purchaser or purchasers, such holder or holders shall be entitled, for the purpose of making settlement or payment, to use and apply said Indebtedness by crediting thereon the amount apportionable and applicable thereto out of the net proceeds of such sale.

Lender may exercise any or all of its remedies provided herein or available under applicable law, including but not limited to the Uniform Commercial Code, either before or after proceeding against Borrower or any co-obligor with Borrower for the amount of the Indebtedness owed, and Lender shall not be required to proceed hereunder unless it so elects.

8. Application of Proceeds. If Lender shall exercise any of the powers conferred upon it by Sections 5 and 6 hereof, all payments made by the Borrower to Lender, and the proceeds of any judgment collected from the Borrower by Lender, and the proceeds of every sale or lease by Lender of all or any of the Collateral, together with any other sums which may then be held by Lender under any of the provisions hereof, shall be applied by Lender to the payment in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by Lender in accordance with the provisions of this Agreement and (b) of the interest then due, and of the principal of the Indebtedness, whether or not the Indebtedness shall have matured by its terms, all such payments to be in full, if such proceeds shall be sufficient, and, if not sufficient, then first to interest and then to principal. In the event that, after applying all such sums of money realized by Lender as aforesaid, there shall remain any amount due to Lender under

the provisions hereof, the Borrower agrees to pay the amount of such deficit to Lender. In the event that, after applying all such sums of money realized by Lender, as aforesaid, there shall remain a surplus in the possession of Lender, such surplus shall be paid to the Borrower.

9. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of Lender shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Borrower.

10. Power of Attorney. The Borrower hereby constitutes and appoints Lender the attorney-in-fact of the Borrower with full power of substitution for the purposes of carrying out the provisions of this Agreement and in its name, place and stead to ask, demand, collect, receive, sue for and give acquittance for any and all rents, income and other sums which are assigned hereunder with full power to settle, adjust or compromise any claim thereunder as fully as the Borrower could itself do, to endorse any draft or check made payable to Borrower relative to the Collateral in order to collect the amounts owing Lender hereunder, and, in the discretion of Lender, to file any claim or take any other action, either in its own name or in the name of the Borrower or otherwise, which Lender may deem necessary or appropriate to protect and preserve the right, title and interest of Lender in and to such rents and other sums and the security intended to be afforded hereby. This power being a power coupled with an interest is irrevocable so long as any amounts owed on the Loan are outstanding.

11. Notice to WPS. Lender is hereby authorized upon the occurrence of an Event of Default to notify WPS and any and

all other persons who are or who may hereafter become obligated under the WPS Agreement, to make payments thereunder relative to the Collateral directly to Lender. (As to amounts paid for coal under the WPS Agreement this shall include only that portion attributable to amortization of the Indebtedness pursuant to the Letter Agreements.)

12. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All warranties, covenants and agreements by or on behalf of the Borrower which are contained in this Agreement shall bind and inure to the benefit of the respective successors and assigns of Lender.

13. Modification, Amendment or Waiver. No modification, amendment or waiver of any provision of this Agreement, or consent to any departure by the Borrower or Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by Lender. No notice to or demand on the Borrower or Guarantor in any case shall entitle it to any other or further notice or demand in the same, similar or other circumstances. Neither any failure nor any delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

14. Waiver. Lender may waive any default before or after the same has been declared without impairing its right to declare a subsequent default hereunder, this right being a continuing one.

15. Severability. If any provision of this Agreement is held invalid, such invalidity shall not affect the validity or enforceability of the remaining provisions of this Agreement. This Agreement shall inure to the benefit of Lender's successors and assigns and shall bind Borrower's heirs, representatives, successors and assigns.

16. Applicable Law; Multiple Counterparts. This Agreement shall be governed by and construed under the laws of the State of Tennessee. This document may be executed in multiple counterparts.

17. Notices. Any notices required to be sent to any party hereto may be hand delivered or mailed to such party at the following address(es) or to such other address as such party specifies in writing:

Borrower and Guarantor:

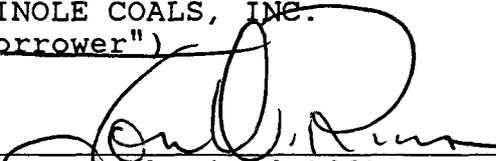
95 White Bridge Road
Suite 404
Nashville, Tennessee 37205
Attention: John Rich

Lender:

First American Center
Nashville, Tennessee 37237
Attention: Mack Linebaugh, Jr.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written.

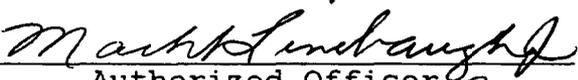
SEMINOLE COALS, INC.
("Borrower")

By: 
Authorized Officer

SEMINOLE ENERGY, INC.
("Guarantor")

By: 
Authorized Officer

FIRST AMERICAN NATIONAL BANK
OF NASHVILLE
("Lender")

By: 
Authorized Officer *Spec V.P.*

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared JOHN W. RICH, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of SEMINOLE COALS, INC., the within named bargainer, a corporation, and that he as such President, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such President.

WITNESS my hand, at office in Nashville, Davidson County, Tennessee, this 27th day of June, 1984.

Patty J. Welch
Notary Public

My Commission Expires:

January 19, 1986



STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared JOHN W. RICH, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of SEMINOLE ENERGY, INC., the within named bargainer, a corporation, and that he as such President, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such President.

WITNESS my hand, at office in Nashville, Davidson County, Tennessee, this 27th day of June, 1984.

Patty J. Welch
Notary Public

My Commission Expires:

January 19, 1986



EXHIBIT A

DESCRIPTION OF COLLATERAL

138 100-ton open-top hopper cars bearing numbers WPSX 50001 through 500138 inclusive as more particularly described as follows:

52 100-ton triple pocket open-top hopper cars bearing the following markings and numbers:

WPSX 50001	WPSX 50002	WPSX 50003	WPSX 50004
WPSX 50005	WPSX 50006	WPSX 50007	WPSX 50008
WPSX 50009	WPSX 50010	WPSX 50011	WPSX 50012
WPSX 50013	WPSX 50014	WPSX 50015	WPSX 50016
WPSX 50017	WPSX 50018	WPSX 50019	WPSX 50020
WPSX 50021	WPSX 50022	WPSX 50023	WPSX 50024
WPSX 50025	WPSX 50026	WPSX 50027	WPSX 50028
WPSX 50029	WPSX 50030	WPSX 50031	WPSX 50032
WPSX 50033	WPSX 50034	WPSX 50035	WPSX 50036
WPSX 50037	WPSX 50038	WPSX 50039	WPSX 50040
WPSX 50041	WPSX 50042	WPSX 50043	WPSX 50044
WPSX 50045	WPSX 50046	WPSX 50047	WPSX 50048
WPSX 50049	WPSX 50050	WPSX 50051	WPSX 50052

86 100-ton 3600 cf three pocket open-top hopper cars and bearing the following markings and numbers:

WPSX 50053	WPSX 50054	WPSX 50055	WPSX 50056
WPSX 50057	WPSX 50058	WPSX 50059	WPSX 50060
WPSX 50061	WPSX 50062	WPSX 50063	WPSX 50064
WPSX 50065	WPSX 50066	WPSX 50067	WPSX 50068
WPSX 50069	WPSX 50070	WPSX 50071	WPSX 50072
WPSX 50073	WPSX 50074	WPSX 50075	WPSX 50076
WPSX 50077	WPSX 50078	WPSX 50079	WPSX 50080
WPSX 50081	WPSX 50082	WPSX 50083	WPSX 50084
WPSX 50085	WPSX 50086	WPSX 50087	WPSX 50088
WPSX 50089	WPSX 50090	WPSX 50091	WPSX 50092
WPSX 50093	WPSX 50094	WPSX 50095	WPSX 50096
WPSX 50097	WPSX 50098	WPSX 50099	WPSX 50100
WPSX 50101	WPSX 50102	WPSX 50103	WPSX 50104
WPSX 50105	WPSX 50106	WPSX 50107	WPSX 50108
WPSX 50109	WPSX 50110	WPSX 50111	WPSX 50112
WPSX 50113	WPSX 50114	WPSX 50115	WPSX 50116
WPSX 50117	WPSX 50118	WPSX 50119	WPSX 50120
WPSX 50121	WPSX 50122	WPSX 50123	WPSX 50124
WPSX 50125	WPSX 50126	WPSX 50127	WPSX 50128
WPSX 50129	WPSX 50130	WPSX 50131	WPSX 50132
WPSX 50133	WPSX 50134	WPSX 50135	WPSX 50136
WPSX 50137	WPSX 50138		