



Citizens Fidelity Bank & Trust Company

CITIZENS PLAZA • LOUISVILLE, KENTUCKY 40268

RECORDATION NO. 13350-1425

DEC 11 1981 - 1 PM

INTERSTATE COMMERCE COMMISSION

December 9, 1981

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Date 12/11/81
Fee \$
ICC Washington, D.C.

Dear Sir:

Attached is the original and enclosed are two additional executed counterparts of each of the following documents: (i) a Mortgage and Security Agreement dated as of December 23, 1981, and (ii) an Assignment of Lease and Security Agreement, dated as of December 23, 1981. I have also enclosed an original and two copies of an Amended Equipment Lease, dated September 18, 1979, to which are attached two amendments regarding rents each styled "Amended Equipment Lease", the first dated June 1, 1980, the other dated January 1, 1981. All of these documents concern the railroad locomotives listed below and are made between the following parties:

<u>Title</u>	<u>Name and Address</u>
Lessor/LaViers Enterprises/ Mortgagor:	LaViers Enterprises P.O. Box 332 Irvine, KY 40336
Lessee/Assignor:	South-East Coal Company P.O. Box 332 Route 1840 Irvine, KY 40336
Mortgagee/Bank/Assignee:	Citizens Fidelity Bank and Trust Company Citizens Plaza Louisville, KY 40296

Conveyance - Donna Lilly

The following equipment is covered by each of the above-described agreements:

Three (3) General Motors Model GP38-2 2000 H. P. Diesel-Electric General Purpose Locomotives, bearing GM Serial Numbers 786237-1, 786237-2 and 786237-3, to be operated by the Louisville & Nashville Railroad and bearing Road Numbers 3821, 3822 and 3823, and A.A.R. Markings SECX 3821, SECX 3822 and SECX 3823, all respectively; and

Six (6) GP-21 Diesel Electric Locomotives rebuilt by Precision National Corporation, to be operated by the Louisville & Nashville Railroad and more particularly described as follows:

	Engine and Serial Number	Road Number	A.A.R. Marking
1.	16-567-C, 60-F32	2001	SECX 2001
2.	16-567-C, 65-C3-1169	2002	SECX 2002
3.	16-567-C, 57K117	2003	SECX 2003
4.	16-567-C, 71-769-0	2004	SECX 2004
5.	16-567-C, 55K4	2005	SECX 2005
6.	16-D3A, 68362-0	2006	SECX 2006

Including all attachments, accessories, accessions and improvements to the above-described nine (9) locomotives, specifically including, but not limited to, the six (6) Motorola Model S214 radios bearing Serial Numbers 214CDG0291 to 214CDG0296, inclusive (the six rebuilt locomotives described above being each equipped with one of said radios), and all of the inventory of spare parts and supplies of LaViers

Secretary

December 9, 1981

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Enterprises for the above-described locomotives.

I respectfully request that the original of these documents be recorded under the provisions of 49 U.S.C.A. §11303 (1979) (formerly §20(c) of the Interstate Commerce Act). Please record the Mortgage and Security Agreement first, then the Amended Equipment Lease and then please record the Assignment of Lease last. (The person who presents the Assignment of Lease to you for recording will fill in the Amended Lease recording information needed on the first page of the Assignment.) I would also appreciate your receipting one of each of the copies by both date stamp and letter and returning it, along with the original of each document, to Ms. Donna Lilly (who has presented these documents for recording) or to me at Citizens Fidelity Bank and Trust Company at the above address.

The undersigned certifies that he is an officer of the Mortgagee/Bank/Assignee and that he has knowledge of the matter set forth in all of the enclosed documents.

Very truly yours,



C. Tabb Hazelrigg, Jr.
Vice President

CTH:tlp
Enclosures

AMENDED EQUIPMENT LEASE

original
CONFIRMED CO
13350-A
RECORDATION NO. FILED 1425

DEC 11 1981 1 35 PM

THIS AMENDED LEASE, made and entered into on the 11th day of September, 1979, by and between LAVIERS ENTERPRISES, a Kentucky limited partnership with its principal office in Irvine, Kentucky ("Lessor") and SOUTH-EAST COAL COMPANY, a Kentucky corporation with its principal office in Irvine, Kentucky ("Lessee").

W I T N E S S E T H:

WHEREAS, the parties hereto did enter into a certain EQUIPMENT LEASE dated March 22, 1979 respecting the Equipment, as defined below; and

WHEREAS, the Lessor to effectuate permanent financing for the acquisition price of the Equipment intends to pledge the Equipment and such lease to a financial institution(s) to secure such financing; and

WHEREAS, certain modifications need to be made in such lease to satisfy certain requirements of such financial institution(s), and the parties are agreeable to such modifications,

NOW, THEREFORE, the parties hereto so hereby agree that such lease shall be modified and amended in its entirety to be in the following form:

1. Lease of Equipment: For the term, at the rent and otherwise upon the terms, conditions and provisions hereinafter contained, the Lessor hereby leases unto the Lessee, and Lessee hereby leases from the Lessor, the property described on Exhibit A attached hereto and made a part hereof ("Equipment").

2. Term: This Lease shall be for a term of seven (7) years, commencing as of March 22, 1979 and ending on March 21, 1986 ("Term").

3. Rent: The Lessee hereby covenants and agrees to pay to the Lessor as rent for the Equipment during the first year of the Term hereof the sum of Two Hundred Fifty Dollars (\$250.00) per unit of Equipment per calendar day, said rent being due and payable in monthly installments as to each calendar month on the 25th day of every succeeding month during the first year of the Term hereof, the first monthly installment of rent being due and payable on April 25, 1979. The rent with respect to a particular unit of Equipment shall begin when the particular unit of Equipment is inspected and officially accepted from the manufacturer. Notwithstanding the

foregoing, due to the various delivery dates of the Equipment, and the necessity of operating more than one unit of Equipment in a movement, the rental provided for in this Paragraph 3 shall be reduced with respect to the initial units of Equipment by an aggregate amount of thirty (30) days rental in total.

At the end of each year of the Term hereof, Lessor and Lessee shall agree on the rental to be paid for the following year during the Term of this Lease. In the event that Lessor and Lessee are unable to agree on the rental to be paid for the next year during the Term of this Lease, then the per unit rental for such next year shall be an amount equal to the per unit rental provided for the previous year, increased or decreased by a percentage equal to the percentage change in the Consumer Price Index for all urban consumers for the United States -- all items, published by the United States Department of Labor, since the beginning of the previous year. Such rental to be paid in monthly installments as to each calendar month on the 25th day of each succeeding month during each subsequent year during the Term hereof. In no event shall any rental be reduced from that set for a previous year without the prior written consent from each Lender (as hereinafter defined).

The Lessee shall pay all rent hereunder to the Lessor at Irvine, Kentucky, or at such other address as the Lessor may have furnished to the Lessee in writing, without notice or demand and without abatement, reduction, counterclaim or set-off of any amount whatsoever, whether by reason of any past, present or future claims of Lessee against Lessor, whether under this Lease or otherwise.

4. Delivery and Acceptance: The Lessor shall deliver the Equipment to the Lessee at Irvine, Kentucky, in good operating conditions. The Lessee's physical receipt thereof, without written complaint of any defect being delivered by the Lessee to the Lessor within twenty-four (24) hours after the time of delivery of the Equipment to the Lessee, shall constitute the Lessee's agreement that the Equipment is in good, safe and servicable condition at the time of delivery.

5. Quiet Enjoyment: The Lessor hereby warrants and represents to the Lessee that it owns fee simple title to the Equipment, subject only to mortgages on items of Equipment to Continental Illinois National Bank of Chicago or City National Bank of Columbus, Ohio, and covenants and agrees to and with the Lessee that if the Lessee shall not be in default hereunder, the Lessee shall have, at all times during the Term hereof, the peaceable and quiet enjoyment and possession of the Equipment without any manner of hindrance from the Lessor or any person or persons lawfully claiming the Equipment, except and provided that it is understood that Lessor contemplates

assigning or pledging this Lease as security and/or mortgaging (or has mortgaged) the Equipment, and that said assignee (any said assignee or lienholder in the Equipment herein referred to as a "Lender") may assign or pledge the same. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, without notice to Lessee. Any assignee or pledgee will succeed to all of Lessor's rights under this Lease. If Lessor assigns this Lease or the rentals due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor or Lessee, should there be one, shall excuse performance by Lessee of any provision hereof. No Lender shall be obligated to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Lease. Lessor has and intends to mortgage and create a security interest in the Equipment. Lessee acknowledges that this Lease and Lessee's interest in any of said Equipment is and shall be subordinate and inferior to the interest and lien of any such mortgagee or secured party. The Lessor and/or each Lender shall be permitted to display notice of ownership of and encumbrances upon the Equipment by means of stencil or plate affixed thereto. The Lessee agrees to indemnify and hold harmless the Lessor and each Lender for any violation of law, rule, order or regulation governing the operation or maintenance of the Equipment, and against any fines or forfeitures and against any claims of any nature whatsoever that may be made against either or both of them by anyone arising out of, or because of the existence of, this Lease.

6. Location of Equipment: The Lessee agrees that the Equipment shall be permanently based at Irvine, Kentucky and that the Lessee shall not make any change in such permanent base, nor use or allow any of the Equipment to be used outside of the forty eight contiguous United States, without the prior written approval in each instance of the Lessor and each Lender.

7. Equipment, Improvements and Alterations: The Lessee agrees not to remove or alter any of the equipment presently contained in or installed on the Equipment except in accordance with the terms of this Lease. The Lessee shall not install any additional equipment in, or make any structural change to, the Equipment without the prior written consent and approval of the Lessor and each Lender, and any such equipment or alterations that are so installed in or upon the Equipment with the Lessor's and any Lender's prior written consent and approval, shall become a part of the Equipment and shall immediately become vested as the sole property of the Lessor and subject to any lien upon the Equipment possessed by a Lender.

8. Risk of Loss and Insurance: As between the Lessor and Lessee, all risk of loss or damage to the Equipment in excess of any insurance proceeds received by the Lessor shall be borne by the Lessee. The Lessee will, at all times maintain or cause to be maintained property and casualty insurance in respect to the Equipment, at least in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by the Lessee; provided, however, that, the amount of such coverage shall not, at any time, be less than the lesser of the Equipment's original cost or then mortgage indebtedness thereon (with a deductible of not greater than Fifty Thousand Dollars (\$50,000.00) per occurrence); provided further, that insurance need not be carried to the extent loss or damage to the Equipment would be properly borne, and payment thereof made to the Lessor, by the railroad company operating the Equipment as foreign equipment by its crews on its lines. The proceeds of such insurance shall be payable to the Lessor and each Lender as their respective interests may appear. The Lessee will also, at all times, carry and maintain or cause to be carried and maintained public liability insurance, naming the Lessor and each Lender as additional named insureds, at least in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by the Lessee; provided, however, that subject to availability, the amount of such coverage shall not, at any time, be less than One Million Dollars (\$1,000,000.00) per occurrence (with a deductible of not greater than One Hundred Thousand Dollars (\$100,000.00)). The Company shall obtain from each insurer under this paragraph an agreement, by endorsement or separate instrument, that such insurer will give the Lessor and each Lender thirty (30) days' written notice before such insurer's policy shall be materially altered or cancelled or not renewed. Annually and on renewal of each policy, the Lessee shall deliver to the Lessor and each Lender a certificate of insurance by or on behalf of each insurer stating the coverage, named insureds and limits of each such policy. In the event of loss or damage to the Equipment, the Lessee shall immediately give written notice thereof to the Lessor, to each Lender, to any insurance company utilized to insure the Equipment and to all applicable Federal, state and local governmental agencies and authorities, if any, and shall furnish such information and execute such documents as may be required to collect the proceeds of any applicable insurance policy or policies. While it shall be the obligation of the Lessee to obtain and maintain insurance on the Equipment in accordance with this Paragraph, the Lessor shall reimburse the Lessee for the premium costs thereof on a periodic basis as requested by the Lessee. Should the Lessor fail to so reimburse the Lessee, however,

the Lessee shall not fail to keep any such insurance in effect or reduce any other of its obligations under this Lease. To the extent the Lessee insures the Equipment together with other of its own equipment, the premium amount to be reimbursed it by the Lessor shall be determined on an equitable basis as the parties hereto may agree amongst themselves from time to time.

--- If Equipment is lost or damaged to the extent that it is economically unfeasible to repair it, the Lessee agrees to immediately pay to the Lessor, in cash, an amount equal to the greater of: (A) the difference between (i) the fair market value of the Equipment immediately prior to its loss or damage and (ii) the fair market value, if any, of the Equipment immediately following its damage or (B) the then currently outstanding principal amount (together with any accrued unpaid interest thereon) of any indebtedness incurred to fund the purchase of the Equipment and secured by the pledge thereof; in either event less any insurance proceeds received by the Lessor. Thereupon, this Lease shall terminate as to such Equipment.

If Equipment is only partially damaged so that it is economically feasible to repair it, or otherwise only temporarily out of service, then this Lease shall remain in full force and effect with no abatement of rent, and the Lessee shall, at its sole cost and expense, fully repair the Equipment so as to restore it to its condition as nearly as possible to that immediately before such damage.

9. Licenses and Permits: The Lessee agrees to apply for and obtain, at its own cost and expense, all licenses and other permits necessary or appropriate for the operation of the Equipment, which licenses and permits shall indicate that title and ownership of the Equipment are in the Lessor, subject to any mortgage and security interest in favor of any Lender. The Lessee further agrees to pay when due, all taxes and assessments now or hereafter imposed by any Federal, state or local governmental authority or agency upon the Equipment, upon this Lease, or upon the use or operation of the Equipment, regardless of whether assessed to the Lessor or the Lessee. Upon written demand of the Lessor, the Lessee will deliver written receipt evidencing payment of such taxes to the Lessor. If the Lessee fails to pay any of said taxes when due, that shall be a default hereunder, and the Lessor or any Lender shall have the right to pay such taxes on behalf of the Lessee and the same shall be immediately due and owing as additional rental hereunder by the Lessee to the Lessor, with fifteen percent (15%) interest per annum thereon.

10. No Liability: The Lessor shall not be liable to the Lessee for loss of use of the Equipment or interruption of the Lessee's business if the Equipment fails to function,

shall be out of use for repairs or service, or for any other causes whatsoever, and, subject to Paragraph 8 hereof, any such loss of use shall not relieve the Lessee from the obligation to pay the rental provided for herein at the time specified herein.

11. Operation in Conformity with Laws: The Lessee shall use and operate the Equipment in strict conformity with all of the laws, rules, orders, ordinances and regulations of the United States and all applicable Federal, state and local agencies and authorities, regarding the use, operation and possession of the Equipment. The Lessee hereby agrees to indemnify and hold harmless the Lessor and each Lender against any and all liabilities, claims, suits, actions, damages, demands, penalties, fines and forfeitures which may be asserted against the Lessor or any Lender or the Equipment arising out of, or resulting from, any violation of any of the aforesaid laws, rules, orders, ordinances and regulations, or out of the Lessee's use or operation of the Equipment. The Lessee further agrees to operate the Equipment in accordance with the operating instructions furnished by the manufacturer thereof and in conformity with guidelines promulgated by the Association of American Railroads.

12. No Assignment or Subletting: The Lessee shall not assign this Lease, sublet or rent out the Equipment nor enter into any contract or arrangement for its use, including with a railroad company, without the prior written consent in each instance of the Lessor and each Lender. No consent once given shall be deemed to be a continuing consent for any subsequent acts. The Lessee does hereby pledge and assign to the Lessor, as additional security for Lessee's obligations under this Lease, to the extent so assignable, any sublease, assignment, contract or other arrangement it has entered or may enter into, and all rents and profits therefrom, respecting the use of the Equipment.

13. Mechanic's Liens: In the event that the Lessee makes or installs any alterations, replacements of, or additions or improvements to the Equipment, the Lessee hereby agrees to and does indemnify and hold harmless the Lessor and each Lender against any mechanic's liens that may be filed against the Equipment for labor or material furnished, or both, and in the event any such mechanic's lien is filed, the Lessee shall, within five (5) days after written demand thereof has been made by the Lessor or any Lender, cause such mechanic's lien to be released or furnish a bond staying enforcement thereof.

14. Maintenance: The Lessee agrees, at all times, to keep the Equipment in good operating condition and repair, to keep the Equipment in good mechanical condition and

adequate to comply with all rules and regulations of any applicable regulatory bodies, and the underwriter of all insurance policies carried on the Equipment. The Lessee shall perform all inspections and all major overhauls on the Equipment, as may be required by applicable government authority and as recommended by the manufacturer of the Equipment. The Lessee further agrees to comply with the service letters and bulletins issued by the manufacturer of the Equipment insofar as they are applicable to the Equipment.

The cost, in each calendar year (or partial calendar years at the commencement and termination of the Lease), up to One Hundred Ten Thousand Dollars (\$110,000.00) per year in the aggregate, incurred in the "regular" maintenance of the Equipment (but not including damage to the Equipment resulting from other than normal operations, the cost of repair of which damage from extraordinary operations shall be borne by the Lessee) shall be paid for, and borne by, the Lessor; any excess costs of regular maintenance shall be paid for, and borne by, the Lessee. "Regular" maintenance shall be defined as maintenance customarily performed on similar equipment to allow its continued use and operation under normal operating conditions for its normal expected life, all in accordance with manufacturers' guidelines and recommendations. As to costs to be borne by the Lessor, the Lessor shall furnish to the Lessee, upon the request of the Lessee, at the Lessor's cost, all parts required for such regular maintenance, and in the event that the Lessee finds it necessary to purchase a part for any such regular maintenance repairs, the Lessor shall reimburse the Lessee for such cost.

If regular maintenance repairs, the cost of which are to be borne by the Lessor, are performed by third parties, the Lessor shall pay such third party, or reimburse the Lessee for the amount paid by the Lessee to such third party, and, if any such regular maintenance repairs are performed by the Lessee, the Lessor shall pay to the Lessee a reasonable amount for the work so performed.

The Lessee shall arrange for all repairs and maintenance to be performed, and, while it may be an obligation of the Lessor to pay for certain repairs or parts under this Paragraph 14, the Lessee, nevertheless, shall be responsible for insuring that such work shall be timely performed. Should the parties dispute the liability for any such cost, the Lessee shall nevertheless cause such work to be performed (at the Lessee's expense) and the parties shall thereafter determine whether reimbursement is proper.

Upon termination of this Lease, whether as a result of the expiration of the Term, or otherwise, the Lessee shall

deliver possession of the Equipment to the Lessor at Irvine, Kentucky (or at such other place as may be mutually agreed upon) in the same condition as delivered to the Lessee, reasonable wear and tear excepted, except as otherwise herein provided. The Lessor, each Lender, and their agents and representatives shall have the right at any time to inspect the Equipment and parts thereof to determine its or their conditions and to ascertain and whether or not the Lessee is complying with the covenants and agreements herein contained relating to the proper care and maintenance of the Equipment. The Lessor shall make available to the Lessee the Equipment manufacturer's warranty, if any, but the Lessor makes no warranty whatsoever with respect to said manufacturer's warranty.

15. Engineer: The Lessee agrees that the Equipment will, at all times during the Term hereof, be operated only by duly qualified personnel.

16. Default: In the event: (i) the Lessee defaults in the performance of any of the terms, conditions, covenants or agreements herein contained, (ii) of (a) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Lessee in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Lessee or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days, or (b) the commencement by the Lessee of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Lessee or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Lessee generally to pay its debts as such debts become due, or the taking of corporate action by the Lessee in furtherance of any of the foregoing, or (iii) any execution, attachment or other writ shall be levied upon the Equipment, then in any such event, any and all of which acts or events shall be considered as defaults hereunder, the Lessor shall have the following remedies:

(a) The Lessor may institute a suit to collect any and all sums which may accrue to the Lessor by virtue of the provisions of this Lease, or for any and all damages

that may accrue by virtue of the Lessee's breach of this Lease, or both.

(b) The Lessor may sue to restrain by injunction any violation or threatened violation of the terms, covenants, conditions or provisions of this Lease.

(c) The Lessor may, without notice to the Lessee, and without demand for rent or money due or for the observance or performance of any of said terms, covenants, conditions or provisions, terminate this Lease and obtain possession of the Equipment, with or without process of law. The Lessee shall be responsible for and pay all costs of the Lessor in connection with obtaining possession of the Equipment. The Lessee hereby waives any claim for damages arising out of the taking of the Equipment by the Lessor in such event. The Lessor may, but shall not be obligated to, relet the Equipment for such rent and upon such terms as the Lessor may see fit, but such reletting shall not relieve the Lessee from its obligations to pay the rent herein reserved for the balance of the Term hereof; provided, however, that any rent received under any such new lease, after all costs and expenses in connection therewith, shall be applied towards the satisfaction of the Lessee's liability hereunder.

All remedies of the Lessor provided for herein shall be cumulative and shall be in addition to those remedies provided by law or at equity. Lessee's sole remedy for breach of any provision hereof by Lessor shall be an action for damages, Lessee agreeing not to seek termination of this Lease or relief from any of its obligations hereunder.

17. Force Majeure: The provisions of this Paragraph 17 shall be applicable if there shall occur, during the Term hereof, any acts of God, governmental restrictions, regulations or controls; enemy or hostile government action, civil commotion, insurrection, revolution, sabotage, fire or other casualty or other conditions beyond the control of the Lessee. If the Lessee shall, as the result of any such event, fail punctually to perform any obligation under this Lease, other than the Lessee's obligation to pay rent or other monetary payments under the terms of this Lease, then such obligations shall be punctually performed as soon as practicable after such event shall abate. If the Lessee, as a result of any such event, shall be unable to exercise any right or option within any time limit provided therefor in this Lease, such time limit shall be deemed extended for a period equal to the duration of such event, provided that within thirty (30) days after the happening of any event for which the Lessee shall be entitled to an extension hereunder, the Lessee shall send to the Lessor written notice describing such event.

18. Miscellaneous:

18.01 Notices: Notices and other communications required or permitted hereunder shall be sufficiently given if in writing and personally delivered or sent by registered or certified U.S. mail, postage prepaid, return receipt requested, addressed as follows:

If to Lessor: LaViers Enterprises
Irvine, Kentucky 40336

With a copy to: Any Lender(s) which have indicated they desire to receive copies of notices.

If to Lessee: South East Coal Company
P. O. Box 332, Route 1840
Irvine, Kentucky 40336

With a copy to: Any Lender(s) which have indicated they desire to receive copies of notices.

or to such other address as either party hereto shall furnish to the other in writing. Notices shall be deemed given when deposited in the U.S. mail in accordance with the foregoing provisions, except as otherwise specified herein.

18.02 Binding Agreement: This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and assigns.

18.03 Captions and Paragraph Headings: The captions and Paragraph headings used herein are for convenience only, shall not be deemed part of this Lease and shall not in any way restrict or modify the context or substance of any Paragraph hereof.

18.04 Entire Agreement: This Agreement contains the entire understanding between the Lessor and the Lessee and supersedes all prior and contemporaneous understandings, both oral and written, between and among them respecting the subject matter hereof.

18.05 Waiver: The failure on the part of either party to insist in any instance upon the strict observance by the other of any provision of this Lease shall not be construed as a waiver of that or any other provision of this Lease.

EXHIBIT "A"

[Equipment Leased]

Three (3) 2000 H.P. Model GP38-2 Diesel Electric locomotives - newly manufactured by Electro-Motive Division of General Motors Corporation:

Road Numbers: 3821
3822
3823

Six (6) 2000 H.P. Model GP-21 Diesel Electric locomotives - rebuilt by Precision National Corporation:

Road Numbers: 2001
2002
2003
2004
2005
2006

AMENDED EQUIPMENT LEASE

THIS AMENDED LEASE, made and entered into as of the first of June, 1980, by and between LaVIERS ENTERPRISES, a Kentucky limited partnership, with its principal office in Irvine, Kentucky, ("Lessor"), and SOUTH-EAST COAL COMPANY, a Kentucky corporation, with its principal office in Irvine, Kentucky, ("Lessee").

WHEREAS, the parties did enter into a certain EQUIPMENT LEASE dated March 22, 1979, and amended September 18, 1979, and now wish to modify paragraph "3. Rent" on page 1 from "\$250.00 per unit of Equipment per calendar day" to "\$325.00 per unit of Equipment per calendar day" effective immediately, and until further revision is necessary. This increase is necessary because of the excessive interest rates incurred during the extended temporary financing period.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease as of the day and year first above written.

LESSOR:

LaVIERS ENTERPRISES

By:

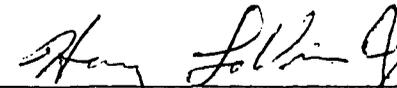


Harry LaViers, Jr.
General Partner

LESSEE:

SOUTH-EAST COAL COMPANY

By:



Harry LaViers, Jr.
President

ATTEST:



Fred E. Day
Secretary

CONFIRMED COPY

AMENDED EQUIPMENT LEASE

THIS AMENDED LEASE, made and entered into as of the first day of January, 1981, by and between LaVIERS ENTERPRISES, a Kentucky limited partnership, with its principal office in Irvine, Kentucky, ("Lessor"), and SOUTH-EAST COAL COMPANY, a Kentucky corporation, with its principal office in Irvine, Kentucky, ("Lessee").

WHEREAS, the parties did enter into a certain EQUIPMENT LEASE dated March 22, 1979, and amended September 18, 1979, and June 1, 1980, and now wish to modify paragraph "3. Rent" on page 1 from "\$325.00 per unit of Equipment per calendar day" to "\$375.00 per unit of Equipment per calendar day" effective immediately, and until further revision is necessary. This increase is necessary because of the excessive interest rates incurred during the extended temporary financing period.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease as of the day and year first above written.

LESSOR:

LaVIERS ENTERPRISES

By: _____


Harry LaViers, Jr.
General Partner

LESSEE:

SOUTH-EAST COAL COMPANY

By: _____


Harry LaViers, Jr.
President

ATTEST:


Fred E. Day
Secretary

CONFIRMED COPY

COMMONWEALTH OF KENTUCKY)) SS
COUNTY OF ESTILL)

BEFORE ME, the undersigned authority, on this day personally appeared Harry LaViers, Jr., General Partner of LaViers Enterprises, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said partnership.

GIVEN under my hand and seal of office this 1st day of January, 1981.


Notary Public

COMMONWEALTH OF KENTUCKY)) SS
COUNTY OF ESTILL)

On this 1st day of January, 1981, before me personally appeared Harry LaViers, Jr., to me personally known, who, being by me duly sworn, says that he is President of South-East Coal Company, that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public