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WILSON, DeCAMP & TALBOTT, P. S. C.

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18961-B
19568 TMS

August 16, 1995

FEDERAL EXPRESS

Ms. Janice Fort
Interstate Commerce Commission
Room 2303
12th & Constitution Avenue, N.W.
Washington, DC 20423

Re: Document for Recordation - Amendment To Security Agreement

Dear Ms. Stokes:

This will advise you that, as attorney for Central Bank & Trust Co., I have enclosed two originals and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document is an Amendment To Security Agreement, primary document, dated August 15, 1995.

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

Mortgagor, Assignor: R. J. Corman Railroad Company/Memphis
Line
P.O. Box 788
Jessamine Station Pike
Nicholasville, Kentucky 40356

Mortgagee, Assignee: Central Bank & Trust Co.
300 West Vine Street
Lexington, Kentucky 40507

RECEIVED THE
OFFICE OF THE
SECRETARY
AUG 17 12 02 PM '95
LICENSING BRANCH

Ms. Janice Fort
August 16, 1995
Page 2

The equipment covered by the Amendment To Security Agreement consists of the following:

Ten (10) aluminum can double plug railroad stock box cars, each 60 feet long and manufactured by ACS and manufactured out of Lot Number 11-06657. Said cars are further identified by the following identification number:

RJCM	4212-
RJCM	4215-
RJCM	4216-
RJCM	4501-
RJCM	4504-
RJCM	4505
RJCM	4508-
RJCM	4510-
RJCM	4515-
RJCM	4516-

All presently owned Heavy Bad Order Canstock Boxcars in Line for Rule 88 Rehabilitation including, without limitation, the boxcars further identified by the following identification numbers:

MP 263355	MP 267573
MP 266522	MP 267574
MP 266562	MP 267600
MP 266563	MP 267603
MP 266637	MP 267614
MP 266741	MP 267616
MP 266767	MP 267663
MP 267363	MP 267685
MP 267400	MP 267691
MP 267401	MP 267708
MP 267432	MP 267737
MP 267446	MP 267748
MP 267447	MP 267759
MP 267478	MP 267767
MP 267489	MP 267792
MP 267517	MP 267797
MP 267536	MP 267822
MP 267567	MP 267841
	MP 267846

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August 16, 1995
Page 3

Twenty-four (24) sets of four (4) new steel bulkheads and twenty-four (24) sets of four (4) used aluminum bulkheads, all of which shall be installed in or used in connection with the above-described heavy bad order canstock boxcars in line for Rule 88 rehabilitation.

Any and all other railroad rolling stock or other equipment of whatsoever nature and kind purchased with the proceeds of that certain loan provided for in a Loan Agreement dated August 26, 1994 executed by and between Debtor and Secured Party, providing for a line of credit of up to but not exceeding \$5,512,500.00.

All replacements, additions, accessions, substitutions, attachments, accessories, parts and tools belonging to any and all of the foregoing or used in connection with the foregoing, and all cash and noncash proceeds, including, without limitation, insurance proceeds of the foregoing.

A fee of \$21.00 is enclosed. Please return the one original and the copy if not needed by the Commission for recordation to Hon. Earl S. Wilson, Jr., Wilson, DeCamp & Talbott, P.S.C., 155 East Main Street, Suite 200, Lexington, Kentucky 40507, (606) 225-1191.

A short summary of the document to appear in the index is as follows: Amended Security Agreement between R. J. Corman Railroad Company/Memphis Line, P.O. Box 788, Jessamine Station Pike, Nicholasville, Kentucky 40356, Debtor, and Central Bank & Trust Co., 300 West Vine Street, Lexington, Kentucky 40507, Secured Party, dated August 15, 1995 and covering the above-described railroad cars.

Should you need additional information or if you deem this filing deficient in any way, please contact me immediately. With kind regards, I am

Very truly yours,



Earl S. Wilson, Jr.
Attorney for Central Bank & Trust Co.

ESWjr/sks

Enclosure

a:\cc.trr



Interstate Commerce Commission
Washington, D.C. 20423-0001

CORRECTED

8/17/95

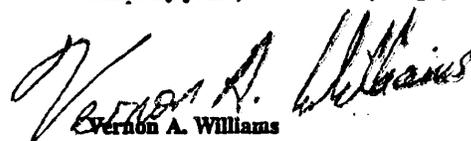
Office Of The Secretary

Earl S. Wilson, Jr.
Wilson, DeCamp & Talbott, P. S. C.
155 East Main Street
Lexington, Kentucky 40507-1332

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 8/17/95 at 12:10PM , and assigned recordation number(s). ~~19868.~~ **18961-B** TMS

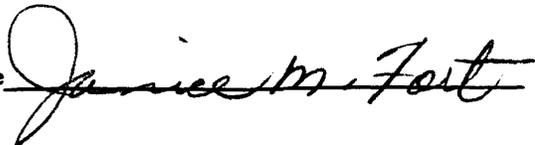
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)
(0100735045)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



18961-B

~~19558~~

TMS

AMENDMENT TO SECURITY AGREEMENT

THIS AMENDMENT TO SECURITY AGREEMENT ("Amendment"), made and entered into this the 15th day of August, 1995, by and between R. J. CORMAN RAILROAD COMPANY/MEMPHIS LINE, a Kentucky Corporation, P.O. Box 788, Jessamine Station Pike, Nicholasville, Kentucky 40356 (the "Debtor") and CENTRAL BANK & TRUST CO., a Kentucky Banking Corporation, 300 West Vine Street, Lexington, Kentucky 40507 (the "Secured Party");

WITNESSETH:

WHEREAS, on the 26th day of August, 1994, the Debtor executed and delivered to the Secured Party a security agreement ("Security Agreement"), a copy of which is attached hereto and made a part hereof and marked Exhibit "A";

WHEREAS, the Security Agreement grants the Secured Party a security interest in and to certain equipment more particularly described therein, which equipment includes certain ballast railroad cars and certain aluminum can double plug railroad stock boxcars all of which are more particularly described on Exhibit "A" to the Security Agreement;

WHEREAS, Secured Party has released (i) the ballast cars described on said Exhibit "A", to the Security Agreement, and (ii) sixty (60) of the aluminum can double plug railroad stock boxcars described on Exhibit "A" to the Security Agreement; and

WHEREAS, the parties desire to redescribe the remaining equipment covered by the Security Agreement;

NOW THEREFORE, for good and valuable considerations, the parties agree as follows:

1. The definition of "Equipment" set forth in paragraph 1(a) of the Security Agreement is hereby amended to read as follows:

"Equipment" means (i) debtor's presently owned heavy bad order Canstock Boxcars in line for Rule 88 rehabilitation, described on Exhibit "B" to this Amendment, (ii) debtor's presently owned aluminum can double plug railroad stock boxcars described on Exhibit "B" to this Amendment, (iii) debtor's presently owned 24 sets of 4 new steel bulkheads and debtor's presently owned 20 sets of 4 used aluminum bulkheads, which shall be installed in or used in connection with the aforementioned heavy bad order Canstock Boxcars in Line for Rule 88 rehabilitation, (iv) any and all other railroad

rolling stock or other equipment of whatsoever nature and kind purchased with the proceeds of that certain loan provided for in a Loan Agreement dated August 26, 1994 executed by and between Debtor and Secured Party, providing for a line of credit of up to but not exceeding \$5,512,500.00 ("Loan Agreement"), and (v) all replacements, additions, accessions, substitutions, attachments, accessories, parts and tools belonging to any and all of the foregoing or used in connection with the foregoing, and all cash and noncash proceeds, including, without limitation, insurance proceeds of the foregoing.

2. The Security Agreement is hereby reinstated and shall remain in full force and effect in accordance with its terms as herein amended.

IN WITNESS WHEREOF, the parties have executed this Amendment by and through their respective officers hereunto duly authorized as of the day and year first above written.

R. J. CORMAN RAILROAD
COMPANY/MEMPHIS LINE

By: 
R. J. Corman, President

CENTRAL BANK & TRUST CO.

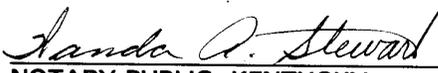
By: 
Its: S.R. V.P.

STATE OF KENTUCKY)

COUNTY OF Jessamine)

Acknowledged, subscribed and sworn to before me this the 15th day of August, 1995, by R. J. Corman, President of R. J. Corman Railroad Company/Memphis Line, a Kentucky Corporation, on behalf of said Corporation.

My Commission Expires: 8/19/96


NOTARY PUBLIC, KENTUCKY

STATE OF KENTUCKY)

COUNTY OF Fayette)

Acknowledged, subscribed and sworn to before me this the 15 day of August, 1995, by Lawrence A. Hobbs, as In Vice President of Central Bank & Trust Co., a Kentucky Banking Corporation, on behalf of said Corporation.

MY COMMISSION EXPIRES 6-1-1997

My Commission Expires: _____

Robin S. Prewitt
NOTARY PUBLIC, KENTUCKY

CONSENT

The undersigned, as guarantors of the Promissory Note which is provided for in the Loan Agreement mentioned hereinabove and is secured by the Security Agreement mentioned hereinabove, do hereby, jointly and severally, consent to the foregoing Amendment to Security Agreement.

Dated this the ___ day of August, 1995.

R. J. Corman
R. J. CORMAN

Robyn Corman
ROBYN CORMAN

R. J. CORMAN RAILROAD CORPORATION,
a Kentucky Corporation

By: R. J. Corman
R. J. Corman, President

STATE OF KENTUCKY)

COUNTY OF Jessamine)

Acknowledged, subscribed and sworn to before me this the 15th day of August, 1995, by R. J. Corman.

My Commission Expires: 8/19/96.

Sandra P. Stewart
NOTARY PUBLIC, KENTUCKY

STATE OF KENTUCKY)

COUNTY OF Jessamine)

Acknowledged, subscribed and sworn to before me this the 15th day of August, 1995, by Robyn Corman.

My Commission Expires: 8/19/96.

Sandra P. Stewart
NOTARY PUBLIC, KENTUCKY

STATE OF KENTUCKY)

COUNTY OF Jessamine)

Acknowledged, subscribed and sworn to before me this the 15th day of August, 1995, by R. J. Corman, President of R. J. Corman Railroad Corporation, a Kentucky Corporation, on behalf of said Corporation.

My Commission Expires: 8/19/96.

Sandra P. Stewart
NOTARY PUBLIC, KENTUCKY

EXHIBIT A

105 aluminum can double plug railroad stock box cars, each 60 feet long and manufactured by ACS and manufactured out of Lot Number 11-06657. Said cars are further identified by the following identification numbers:

RJCC 4001	RJCC 4031	RJCC 4201	RJCC 4231
RJCC 4002	RJCC 4032	RJCC 4202	RJCC 4232
RJCC 4003	RJCC 4033	RJCC 4203	RJCC 4233
RJCC 4004	RJCC 4034	RJCC 4204	RJCC 4234
RJCC 4005	RJCC 4035	RJCC 4205	RJCC 4235
RJCC 4006	RJCC 4036	RJCC 4206	RJCC 4236
RJCC 4007	RJCC 4037	RJCC 4207	RJCC 4237
RJCC 4008	RJCC 4038	RJCC 4208	RJCC 4238
RJCC 4009	RJCC 4039	RJCC 4209	RJCC 4239
RJCC 4010	RJCC 4040	RJCC 4210	RJCC 4240
RJCC 4011	RJCC 4041	RJCC 4211	RJCC 4241
RJCC 4012	RJCC 4042	RJCC 4212	RJCC 4242
RJCC 4013	RJCC 4043	RJCC 4213	RJCC 4243
RJCC 4014	RJCC 4044	RJCC 4214	RJCC 4244
RJCC 4015	RJCC 4045	RJCC 4215	RJCC 4245
RJCC 4016	RJCC 4046	RJCC 4216	RJCC 4246
RJCC 4017	RJCC 4047	RJCC 4217	RJCC 4247
RJCC 4018	RJCC 4048	RJCC 4218	RJCC 4248
RJCC 4019	RJCC 4049	RJCC 4219	RJCC 4249
RJCC 4020	RJCC 4050	RJCC 4220	RJCC 4250
RJCC 4021	RJCC 4051	RJCC 4221	RJCC 4251
RJCC 4022	RJCC 4052	RJCC 4222	RJCC 4252
RJCC 4023	RJCC 4053	RJCC 4223	RJCC 4253
RJCC 4024	RJCC 4054	RJCC 4224	RJCC 4254
RJCC 4025	RJCC 4055	RJCC 4225	RJCC 4255
RJCC 4026	RJCC 4056	RJCC 4226	RJCC 4256
RJCC 4027	RJCC 4057	RJCC 4227	RJCC 4257
RJCC 4028	RJCC 4058	RJCC 4228	
RJCC 4029	RJCC 4059	RJCC 4229	
RJCC 4030	RJCC 4060	RJCC 4230	

5 ballast railroad cars, manufactured by _____
and having identification or road numbers RJCW 3101, RJCW 3102, RJCW 3103, RJCW
3104 and RJCW 3105.

EXHIBIT B

10 aluminum can double plug railroad stock box cars, each 60 feet long and manufactured by ACS and manufactured out of Lot Number 11-06657. Said cars are further identified by the following identification number:

RJCM	4212
RJCM	4215
RJCM	4216
RJCM	4501
RJCM	4504
RJCM	4505
RJCM	4508
RJCM	4510
RJCM	4515
RJCM	4516

All presently owned Heavy Bad Order Canstock Boxcars in Line for Rule 88 Rehab including, without limitation, the boxcars further identified by the following identification numbers:

MP 263355	MP 267573
MP 266522	MP 267574
MP 266562	MP 267600
MP 266563	MP 267603
MP 266637	MP 267614
MP 266741	MP 267616
MP 266767	MP 267663
MP 267363	MP 267685
MP 267400	MP 267691
MP 267401	MP 267708
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MP 267447	MP 267759
MP 267478	MP 267767
MP 267489	MP 267792
MP 267517	MP 267797
MP 267536	MP 267822
MP 267567	MP 267841
	MP 267846

18961

RECORDATION NO. _____ FILED 1425

SEP 1 1994 2:50 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

This Security Agreement ("Agreement") made this 26th day of August, 1994, by and between R. J. Corman Railroad Company/Memphis Line, a Kentucky corporation, P.O. Box 788, Jessamine Station Pike, Nicholasville, Kentucky 40356 (the "Debtor") and Central Bank & Trust Co., a Kentucky Banking corporation, 300 West Vine Street, Lexington, Kentucky 40507 (the "Secured Party").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. Definitions. For the purposes hereof:

(a) "Equipment" means all of Debtor's presently owned and hereafter acquired ballast railroad cars and aluminum can double plug railroad stock box cars together with replacements, additions, accessions, substitutions, attachments, accessories, parts and tools belonging to the foregoing or used in connection with the foregoing and all cash and non-cash proceeds, including, without limitation, insurance proceeds of the foregoing which shall include but shall not be limited to the ballast railroad cars and aluminum can double plug railroad stock box cars more particularly described on Exhibit A attached hereto and made a part hereof. Exhibit "A" shall not be construed so as to limit in any manner the generality of the foregoing description of the Equipment.

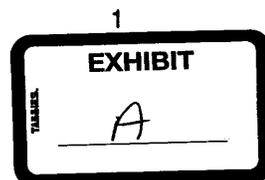
(b) "Debtor's Place of Business" means Jessamine Station Pike, Nicholasville, Kentucky and such other locations at which Debtor is now conducting, or may hereafter conduct, its business and operations.

2. Security Interest.

(a) The Debtor hereby assigns, grants and conveys to the Secured Party a security interest in the Debtor's Equipment which is sometimes collectively referred to hereafter as the "Collateral".

(b) The security interest hereby granted is to secure each and every obligation, duty, performance, debt and liability of Debtor to secured party, pursuant to (i) a Promissory Note ("Note") of Debtor in favor of Secured Party of even date herewith in the principal amount of up to but not exceeding \$5,512,500.00, and (ii) all other loan documents, instruments and agreements executed in conjunction with the Note. All of the foregoing are hereinafter collectively referred to as "Obligations". The Note and the aforementioned other loan documents instruments and agreements are hereinafter referred to as the Loan Documents.

3. Representations and Warranties. The Debtor represents and warrants to Secured Party as follows:



(a) Except for the security interest granted hereby the Debtor has good and marketable title to the Collateral, free and clear from all liens, security interests, and encumbrances whatsoever.

(b) Subject to any limitations stated therein or in connection therewith, all information furnished by the Debtor to the Secured Party concerning the Collateral is, or will be at the time the same is furnished, accurate and complete in all material respects.

4. Maintenance and Preservation of Collateral. Debtor shall maintain and preserve Debtor's Equipment in good order and condition, and shall not permit same to be wasted or destroyed. Unless and until the occurrence of a default hereunder, the Collateral shall remain in Debtor's possession and control at all times, at Debtor's risk of loss, and shall be kept and used only in Debtor's railroad business. Debtor, from time to time, upon request by Secured Party, shall furnish Debtor with the exact location of each item of the Equipment comprising the Collateral.

5. Insurance. At all times the Debtor, at its cost and expense, shall keep and maintain insurance on the Collateral, insuring the Collateral against risk of loss by fire (including so-called extended coverage), theft, and other casualty and such other risks customarily insured against by companies engaged in similar businesses to that of the Debtor, for such periods in such amounts and with such insurers as may be satisfactory to the Secured Party, such insurance to be payable to the Secured Party and the Debtor as their interests may appear. The Debtor shall furnish to the Secured Party certificates or other evidence satisfactory to the Secured Party of compliance with the aforesaid insurance requirements.

6. Protection of Security Interest.

(a) Debtor shall not grant, sell, convey, lend, rent, lease or otherwise dispose of the Collateral, or any security interest in the Collateral except as authorized in this Agreement, or in writing by the Secured Party, and Debtor shall keep the Collateral free from unpaid charges, including taxes and free from liens, encumbrances and security interests other than that of Secured Party.

(b) The Debtor shall sign and execute alone or with Secured Party any financing statement or other document, or procure any document, and pay all connected costs, necessary to protect the security interest granted by this Agreement, against the rights or interests of third parties.

(c) Debtor shall promptly pay all taxes, unpaid charges, liens and encumbrances on or against the Collateral.

(d) Secured Party may at its option, pay taxes, unpaid charges, liens, encumbrances, and security interests on the Collateral, or secure insurance (of the type required by paragraph 5 hereof) covering the Collateral, should Debtor fail to do so, for which amounts Debtor shall be responsible and which shall be due from Debtor on

demand by Secured Party; and, if not paid, added to the principal amount of the Obligations secured by this Agreement.

7. Events of Default. The Debtor shall be in Default under this Agreement upon the happening of any one or more of the following events:

(a) The Debtor shall fail to pay in full as and when due and payable any of the Obligations secured by this Agreement; or

(b) Failure to duly observe any covenant, condition or agreement of the Loan Documents to be performed by Debtor or any other party thereto excepting only Secured Party with respect to those Loan Documents executed by Secured Party; or

(c) Any warranty or representation made or agreed to be made in any of the Loan Documents shall be breached or shall prove to be false or misleading; or

(d) Any lien for labor or material or otherwise shall be filed against the Equipment and not released within thirty (30) days after filing; or

(e) Any judgment shall be taken against the Debtor which, if adversely determined, could substantially impair the ability of the Debtor to perform each and every one of its obligations under and by virtue of the Loan Documents; or

(f) A levy shall be made or a receiver be appointed with respect to any property of the Debtor; or

(g) The Debtor or any of its shareholders shall file a voluntary petition in bankruptcy, or any other petition or answer seeking or acquiescing in reorganization, arrangement, composition, readjustment, liquidation or similar relief for the Debtor under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for Debtor; or

(h) The Debtor shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Debtor or of all or any part of Debtor's property or of any or all of the rents, revenues, issues, earnings, profits or income thereof; or

(i) The Debtor shall make any general assignment for the benefit of creditors; or

(j) Debtor's dissolution or termination of existence; or

(k) Any individual Mortgagor, Guarantor, or any other person primarily or secondarily obligated for the payment of the Obligations shall die; or

(l) In any legal proceeding the Debtor or any of its shareholders shall be adjudged to be insolvent or unable to pay the Debtor's debts as they become due; or

(m) The Debtor shall do, or shall omit to do, any act, or any event shall occur, as a result of which any obligation of the Debtor, not arising hereunder, may be declared immediately due and payable by the holder thereof; or

(n) The use of any of the Collateral in violation of any State or Federal law or municipal ordinance; or

(o) The Debtor, without the prior written consent of the Secured Party, voluntarily or by operation of law, shall sell, transfer, convey or assign all or any part of the legal or equitable title to the Collateral, or any part of, or interest in the Collateral; or

(p) Loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral or any part thereof, or the making of any levy, seizure or attachment thereof or thereon;

(q) The Debtor, without the prior written consent of the Secured Party, voluntarily or by operation of law, shall transfer, convey or assign the Collateral, or any part of, or interest in, the Collateral as security for an indebtedness other than for the Obligations secured by this Agreement; or

(r) An Event of Default occurs under the terms of any of the other Loan Documents; or

(s) The Secured Party shall reasonably suspect the occurrence of any one or more of the above said defaults and the Debtor, upon the request of the Secured Party, shall fail to provide evidence reasonably satisfactory to the Secured Party that such default has not in fact occurred.

(t) The failure of Debtor to provide Secured Party with current accurate financial statements within ninety (90) days after the end of each fiscal year or upon request of Secured Party; or

(u) If the Secured Party deems itself insecure for any reason whatsoever.

If a default provided for above shall have occurred, then the Obligations secured by this Agreement shall, at the option of the Secured Party, become immediately due and payable without notice or demand, which shall be in addition to all remedies provided for in paragraph 8 hereof. No delay in accelerating the maturity of any of the Obligations or taking any other action with respect to any event of default shall affect the rights of the Secured Party later to take such action with respect thereto and no waiver as to one event of default shall affect the right as to any other default.

9. Remedies. If any of the events of default specified hereinabove shall occur, the Secured Party may exercise and shall have any and all rights and remedies afforded

it by the Kentucky Uniform Commercial Code. In addition to those rights and remedies, Debtor agrees with Secured Party that:

(a) The Secured Party may enter upon Debtor's property and take possession of the Collateral, or require Debtor to assemble the Collateral and to make it available to the Secured Party at a place to be designated by the Secured Party, which is reasonably convenient to both parties, and may sell at one or more public or private sales, held at any time or times without demand, advertisement or notice, any part or all of the Collateral;

(b) The Secured Party may become a purchaser at any private or public sale of the Collateral;

(c) The requirements of reasonable notice to the Debtor shall be met, if notice is mailed, postage prepaid to Debtor or other persons entitled to notice at least ten (10) days before the time of sale or disposition of the Collateral;

(d) Debtor shall pay to the Secured Party on demand any costs (including attorneys fees) arising out of the exercise of the rights of Secured Party hereunder, including its right to take possession of the Collateral, and its costs and expenses in storing, and disposing of the Collateral or in collecting the proceeds of the Collateral; and

(e) Secured Party will incur expenses (including without limitation, attorneys fees and legal expenses) in the event of an event of default, as a result of the retaking, holding, preparing for sale and selling the Collateral for which Debtor shall be responsible.

10. Application of Proceeds in the Event of Default.

The proceeds of sale of the Collateral shall be applied by Secured Party to Debtor's Obligations as follows:

First: to the payment of the costs and expenses of Secured Party and the reasonable fees and expenses of its counsel;

Second: to the payment in full of the Obligations of Debtor to Secured Party; and

Third: the balance if any to Debtor.

11. Miscellaneous Provisions.

(a) Provisions of this Agreement may be amended, or compliance with this Agreement waived at any time by written Agreement of the Secured Party and Debtor.

