National City Bank

RECORDATION NO. 19136
DEC 28 1994 -10 25 AM

National City Bank, Columbus
155 East Broad Street
Columbus, OH 43251

0100467014

December 21, 1994

RECORDATION NO. 19135
DEC 28 1994 -10 25 AM

Interstate Commerce Commission
Recordation Department
12th & Constitution Ave. NW
Room 2311
Washington DC 20423

Re. Recordation of Security Documents for Railroad Locomotives

To Whom It May Concern:

Enclosed are two sets of original security agreements for railroad equipment. Each set contains two original security agreements. These documents represent National City Bank, Columbus' interest in rolling stock and locomotives of The Columbus & Ohio River Rail Road Company and the Ohio Central Railroad, Inc. Please record these documents. I have included an official check in the amount of $42.00 for the cost of recordation.

Please return one recorded copy from each set of original documents to:

National City Bank, Columbus
Attn: Stanley A. Uchida
Regional Banking Division
155 E. Broad Street
Columbus, Ohio 43251-0030

Thank you for your time and attention in this matter. Please call me at 614-463-8454 if your need further information.

Sincerely,

Stanley A. Uchida
Loan Officer
Regional Banking Division

enclosures

Interstate Commerce Commission

Washington, D.C. 20423

12/28/94

OFFICE OF THE SECRETARY

Stanley A. Uchida
Loan Officer
National City BANK, Columbus
155 East Broad Street
Columbus, Ohio 4325 1

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 12/28/94 at 10:25AM, and assigned recordation number(s). 19135 and 19136.

Sincerely yours,

Vernon A. Williams

Vernon A. Williams
Secretary

Enclosure(s)

0100467014

$ 42.00 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 Denice M. Fort

19135

DEC 28 1994 AM

SECURITY AGREEMENT
(equipment)

This Agreement executed and delivered in Coshocton, Ohio, as of this 17th day of December, 19 94 by The Columbus & Ohio River Rail Road Company ("Debtor"), whose chief executive office is at 136 South 5th Street, Coshocton Oh, 43812, to National City Bank, Columbus ("Bank"), whose main office is at 155 East Broad Street, Columbus, Ohio 43251.

1. Certain terms used in this Agreement are defined in Section 6.

2. To secure the debt Debtor grants to Bank a security interest in the collateral, which includes, without limitation, the following equipment:

   ( ) the equipment described or referred to in Schedule A (which is attached to and hereby made a part of this Agreement).

   (XXX) all equipment of Debtor, whether now owned or hereafter acquired by Debtor, including (without limitation) any and all equipment described or referred to in Schedule A (if any) which is attached to and hereby made a part of this Agreement.

3. Debtor represents and warrants to Bank as follows:

   (a) Debtor is a (CHECK ONE):

   (XX) corporation organized and in good standing under Ohio law.
   ( ) general partnership created under _____ law.
   ( ) limited partnership created under _____ law.
   ( ) proprietorship.

   (b) Debtor keeps the collateral at Debtor's chief executive office EXCEPT to the extent, if any, otherwise described or referred to in Schedule A.

   (c) Debtor owns the collateral absolutely, free from any lease, lien, security interest, encumbrances, or equity of any kind in favor of any third party, save that hereby granted to Bank, EXCEPT to the extent, if any, specified in a writing delivered to and accepted by Bank concurrently with Debtor's delivery of this Agreement. No financing statement (other than with Bank) pertaining to the collateral is now or will be hereafter on file in any public office.

   (d) All financial statements and credit applications delivered by Debtor to Bank accurately reflect Debtor's financial condition and operations at the times and for the periods stated therein.

4. Debtor agrees with Bank as follows:

   (a) Debtor will give Bank not less than seven (7) days' prior written notice of any change in Debtor's name, in the location of its chief executive office or in any other circumstance which affects or may affect the continuing efficacy of any financing statement filed by Debtor and Bank or the continuing status of Bank's security interest as the first and prior lien on the collateral.

   (b) Debtor will make and do all such acts and things as Bank may from time to time require for the better evidencing, validation, perfection or other protection of its security interest, all at Debtor's expense. Without limiting the generality of the foregoing, promptly upon Bank's request Debtor in each case will join with Bank in signing and filing such financing statements as Bank may from time to time require in such public offices as Bank may from time to time require, cause all applicable certificates of title (in the case of any motor vehicle or other chattel subject to any certificate of title law) to be duly noted with Bank's security interest and to be held by Bank for its protection, comply with every other legal requirement deemed necessary by Bank for the perfection of its security interest and execute and deliver such additional security agreements, assignments, endorsements and other writings as Bank may require. A carbon, photographic or other reproduction of this Agreement or a financing statement shall be sufficient as a financing statement hereunder.

   (c) Without Bank's prior written consent, Debtor will not (i) sell, lease, or otherwise transfer the collateral or any portion thereof, (ii) grant any security interest in or suffer or permit any other lien or encumbrance to exist in respect of the collateral or (iii) move or permit anyone else to move the collateral from the location or locations specified herein except in the ordinary course of business. Debtor will under no circumstance permit the collateral to become a fixture by attachment to real property.

   (d) Debtor will maintain the collateral in good condition and will pay promptly all taxes, levies, encumbrances and all repair, maintenance and preservation costs pertaining to the collateral. If Debtor fails to do so, Bank at its option may pay the same, and Debtor shall repay upon demand all amounts Bank so expends together with interest thereon at the rate of four percent (4%) per annum above the prime rate from time to time in effect, with each change in the prime rate automatically and immediately changing, without notice to Debtor, the rate per annum thereafter applicable to the amount due.

   (e) Debtor will not cause or permit the collateral to be used, operated, or maintained in such a manner as would violate any statute, regulation, rule, ordinance or order of any governmental unit, body or agency or cause or permit the collateral to be used, operated or maintained in such a manner as would violate any restrictions or conditions applicable under any insurance respecting the collateral or as would otherwise suspend, limit or impair any such insurance or the coverage thereunder.

   (f) Debtor will insure the collateral at all times with such companies, in such amounts and against such risks as Bank shall deem acceptable, and will deposit the policies with Bank. Each policy of insurance shall name Bank as a loss payee as its interest shall appear and shall provide for not less than thirty (30) days' prior written notice to Bank of the cancellation of or any material reduction in coverage provided by such policy. Debtor assigns to Bank any return or unearned premiums due upon cancellation of any such insurance and directs the insurer to pay to Bank all amounts so due. Bank may at its option apply amounts received in payment of insurance losses or return of unearned premiums to payment of the debt or may use any portion of such amounts for the purpose of repairing, replacing or restoring the collateral. If Debtor fails to maintain satisfactory insurance, Bank as Debtor's agent may obtain such insurance or obtain insurance covering only Bank's interest; if Bank elects to do either, Debtor shall repay upon demand all amounts Bank so expends, together with interest thereon at the rate of four percent (4%) per annum above the prime rate from time to time in effect, with each change in the prime rate automatically and immediately changing, without notice to Debtor, the rate per annum thereafter applicable to the amount due. Debtor hereby irrevocably appoints Bank as Debtor's attorney-in-fact to adjust all insurance losses, to sign all applications, receipts, releases and other papers necessary to collect any such loss and any return of unearned premium, to execute proofs of loss, to make settlements, to endorse and collect any check or other item payable to Debtor issued in connection therewith and to apply the same to payment of the debt.

(g) Upon Bank's demand after non-payment of the debt when due and payable, Debtor will promptly assemble the collateral and make it available to Bank at a place reasonably convenient to both Debtor and Bank. Debtor will pay to Bank on demand all expenses Bank may incur in protecting or enforcing its rights in the collateral, together with interest thereon at the rate of four percent (4%) per annum above the prime rate from time to time in effect, with each change in the prime rate automatically and immediately changing, without notice to Debtor, the rate per annum thereafter applicable to the amount due.

5. If any debt shall not be paid in full as and when due and payable (whether by lapse of time or by acceleration or otherwise), Bank shall have the rights and remedies of a secured party under Ohio law, including without limitation the right to sell, assign, transfer and deliver the collateral at any time, or, from time to time, any thereof. Bank shall give Debtor not less than ten (10) days' prior notice of either the date after which any intended private sale is to be made or the time and place of any intended public sale, except that Bank need give no such notice in the case of collateral which Bank in good faith determines to be declining speedily in value or which is customarily sold on a recognized market. Debtor waives advertisement of any such sale and (except only to the extent notice is specifically required by the next preceding sentence) waives notice of any kind in respect of such sale. At any public sale Bank may purchase the collateral or any part thereof free from any right of redemption, which right Debtor hereby waives. After deducting all expenses and attorney fees incurred in assembling, taking, repairing, storing and selling the collateral or any part thereof, Bank may apply the net proceeds of sale to the debt with such allocation as to item and maturity as Bank in its sole discretion deems advisable and shall refund the surplus, if any, to Debtor, who shall be liable for any deficiency.

6. As used in this Agreement:

Agreement means this security agreement (including without limitation each amendment, if any) unless the context otherwise clearly requires;

prime rate means the fluctuating rate, as in effect at the time in question, which is publicly announced by Bank from time to time as being its prime rate (or equivalent) thereafter in effect;

collateral means the equipment referred to in Section 2, together with any and all replacements thereof and all additions, accessories, attachments, and accessions now or hereafter affixed thereto or used in connection with therewith, all products and proceeds of the foregoing, and all records of all of the foregoing;

debt means, collectively, all liabilities of Debtor to Bank, and includes every such liability, however evidenced, whether now existing or hereafter created or arising, and each renewal, extension or refinancing thereof, whether owing only by Debtor or with one or more parties in a joint, several or joint and several capacity, whether direct, indirect or contingent, whether created by loan, overdraft, guaranty of payment or other contract or by quasi-contract or tort, statute or other operation of law or otherwise, whether incurred directly to Bank or acquired by it by purchase, pledge or otherwise and whether participated to or from Bank in whole or in part;

equipment means goods, merchandise and other personal property, wherever located, used or bought for use primarily in Debtor's business or profession;

related writing includes any credit application, financial statement, promissory note, guaranty of payment, indenture, mortgage, security agreement, authorization, subordination agreement, certificate or other writing Bank receives in respect of Debtor's debt or any portion thereof;

7. A notice to or request of Debtor shall be deemed given or made when sent to Debtor, certified mail, return receipt requested, at the address of Debtor's chief executive office or at such other address as Debtor may furnish to Bank pursuant to Section 4(a); however, no other method of giving actual notice to Debtor is hereby precluded. Every notice to Bank shall be effective when delivered to an officer in Bank's Regional Banking Division (division or branch) or at such other address as Bank may furnish to Debtor for this purpose.

8. Each right, power or privilege specified in this Agreement is in addition to, not in limitation of, any other rights, powers and privileges Bank may otherwise have or acquire through any related writing or by other contract or otherwise. Bank may in its discretion grant Debtor waivers and consents in respect of this Agreement or any related writing, but no such waiver or consent shall bind Bank unless granted in writing. No course of dealing, omission or delay by Bank in the exercise of any right, power or privilege referred to in this Agreement or in any related writing shall operate as a waiver thereof, nor shall any partial exercise thereof preclude any further exercise thereof, as Bank may exercise each such right, power and privilege either independently or concurrently and as often and in such order as Bank deems expedient. This Agreement shall be governed by and construed in accordance with Ohio law, shall benefit Bank, its successors, assigns and any other holder who derives from Bank title to or interest in any debt and shall bind Debtor and Debtor's heirs, executors, administrators, successors and assigns. If more than one person or entity signs this Agreement, the term Debtor means each of them, their obligations hereunder are joint and several and each shall be the agent of the other for all purposes related to this Agreement.

9. Bank's security interest in the collateral shall remain in effect in accordance with this Agreement until Debtor's debt to Bank has been fully satisfied and shall not be affected by the lapse of time or by the fact that there may be a time or times when no debt is outstanding. Debtor agrees that if and when Bank's security interest shall have terminated in accordance with the provisions of this Agreement, Debtor will, on Bank's request, pay to Bank an amount equal to all reasonable costs and expenses incurred by Bank in terminating its security interest of record or in notifying account debtors of any such termination.

10. This Agreement is exclusive as to its subject matter and may not be varied or contradicted by any inconsistent oral agreement or statement.

The Columbus & Ohio River Rail Road Company
Debtor

by William A. Strawn II

William A. Strawn II, President

SCHEDULE A

Consisting of one page to Security agreement
dated the14th day of December, 1994
to National City Bank, Columbus

All locomotives are Diesel - Electric.

Unit/Number - Model	Builder	Frame #	Date	Horse Power
CUOR/3001 GP-30 (Formerly N&W 558)	EMD	5637-37	5-63	2250
CUOR/6629 GP-35 (Formerly N&W 209)	EMD	5657-10	5-65	2500

Debtor: The Columbus & Ohio River Rail Road Company

By: William A. Strawn II

William A. Strawn II, President