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February 12, 1996

19565-A
OF COUNSEL
STEPHEN L. MILLER

Vernon A. Williams, Secretary
Surface Transportation Board
Room 2311
1201 Constitution Avenue, NW
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Amendment and Modification Agreement, a secondary document, dated January 23, 1996.

The primary document to which this is connected is recorded under Recordation No. 19565.

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

Mortgagor/Debtor: R.J. Corman Railroad Company/Memphis Line, Jessamine Station Pike, P. O. Box 688, Nicholasville, Kentucky 40356.

Guarantors: Richard J. Corman, Robyn Corman, Richard J. Corman d/b/a R.J. Corman Railroad Construction, R.J. Corman Railroad Corporation, R.J. Corman Restaurant Corporation, R.J. Corman Railroad Company/Material Sales, R.J. Corman Railroad Company/Western Ohio Line, R.J. Corman Railroad Company/Cleveland Line, Jessamine Station Pike, P. O. Box 788, Nicholasville, Kentucky 40356.

Mortgagee/Secured Party: First National Bank and Trust Company of Nicholasville, 307 North Main Street, P. O. Box 217, Nicholasville, Kentucky 40356.

Included in the property covered by the aforesaid Amendment and Modification Agreement are railroad cars, locomotives and other

RECORDED
FEB 15 1996
OFFICE OF THE CLERK
RECORDATION DIVISION
KENTUCKY

Vernon A. Williams, Secretary
February 12, 1996
Page 2

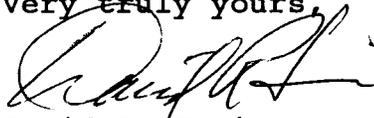
rolling stock intended for use in interstate commerce, or interest therein, owned by R.J. Corman Railroad Company/Memphis Line at the date of said Amendment and Modification Agreement or thereafter acquired by it or its successors.

A fee of \$21.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to David R. Irvin, Esq., Moynahan, Irvin & Smith, Newberry, Hargrove & Rambicure, P.S.C., 110 North Main Street, Nicholasville, Kentucky 40356, (606)887-1200.

A short summary of the document to appear in the index is as follows:

Amendment and Modification Agreement dated January 23, 1996, amending a Mortgage and Security Agreement between R.J. Corman Railroad Company/Memphis Line Jessamine Station Pike, P. O. Box 788, Nicholasville, Kentucky 40356, Mortgagor/Debtors and Guarantors, and First National Bank and Trust Company of Nicholasville, Kentucky, 307 North Main Street, P. O. Box 217, Nicholasville, Kentucky 40356, Mortgagee/Secured Party, dated August 15, 1995, so as to cover hereafter acquired locomotives and other rolling stock.

Very truly yours,



David R. Irvin
Attorney for First National Bank and
Trust Company of Nicholasville,
Kentucky

DRI/he
Enclosure

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**SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001**

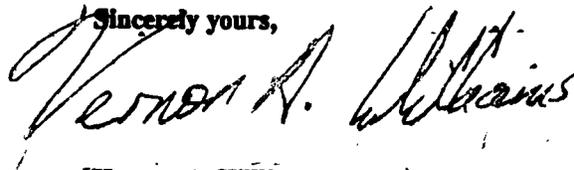
2/15/96

David R. Irvin
Moynahan, Irvin & Smith
Newberry, Hargrove & Rambicure, P.S.C.
110 North Main Street
Nicholasville, Kentucky 40356

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 2/15/96 at 1:40PM, and assigned recordation number(s). 19565-A.

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 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 _____

AFFIDAVIT

Your Affiant, being first duly sworn, does hereby depose and state as follows:

1. Your affiant acted as attorney for First National Bank and Trust Company of Nicholasville, Kentucky, a National Banking Association, in connection with the transaction described in a certain Amendment and Modification Agreement Amending Mortgage and Security Agreement and Other Loan Documents, a copy of which is attached hereto.

2. Your affiant has compared the copy with the original document and found the copy to be complete and identical in all respects to the original document.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

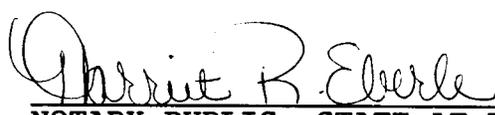


DAVID R. IRVIN

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Acknowledged, subscribed and sworn to before me by David R. Irvin this the 12th day of February, 1996.

My Commission Expires: March 16, 1996.



NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

**AMENDMENT AND MODIFICATION AGREEMENT AMENDING
MORTGAGE AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS**

This AMENDMENT AND MODIFICATION AGREEMENT, made and entered into as of the 23rd day of January, 1996, by and among R. J. CORMAN RAILROAD COMPANY/MEMPHIS LINE, a Kentucky corporation, having its principal offices in Nicholasville, Kentucky, (the "Borrower" or the "Debtor"); RICHARD J. CORMAN; ROBYN CORMAN, his wife; RICHARD J. CORMAN, d/b/a R. J. CORMAN RAILROAD CONSTRUCTION, a sole proprietorship; R. J. CORMAN RAILROAD CORPORATION, a Kentucky corporation; R. J. CORMAN RESTAURANT CORPORATION, a Kentucky corporation; R. J. CORMAN RAILROAD COMPANY/MATERIAL SALES, a Kentucky corporation; R. J. CORMAN RAILROAD COMPANY/WESTERN OHIO LINE, an Ohio corporation; R. J. CORMAN RAILROAD COMPANY/CLEVELAND LINE, an Ohio corporation, (the "Guarantors"); and FIRST NATIONAL BANK AND TRUST COMPANY, a National Banking Association, having its principal offices in Nicholasville, Kentucky, (the "Lender").

W I T N E S S E T H:

WHEREAS, on August 15, 1995, the parties hereto entered into a certain Loan Agreement by which the Lender agreed to loan the Borrower a principal amount of up to but not exceeding \$5,500,000.00 to purchase and rebuild up to 45 railcars and to refinance existing indebtedness incurred in the previous acquisition by the Borrower of 60 boxcars and five railroad ballast cars; and

WHEREAS, the Guarantors are parties to the aforesaid Loan Agreement; and

WHEREAS, simultaneously with the execution of the aforesaid Loan Agreement, and as a part of the transactions contemplated thereby, the Borrower executed a Promissory Note payable to the Lender, in the amount of \$5,500,000.00, of even date therewith, appended to which is a Guaranty executed by each of the Guarantors, as of said date; and

WHEREAS, the parties to said Loan Agreement, and as a part of the transactions contemplated thereby, executed and entered into a certain Mortgage and Security Agreement, of even date therewith; and

WHEREAS, the parties to said Loan Agreement, Promissory Note, Guaranty and Mortgage and Security Agreement (the Loan Documents) desire to modify and amend the same so as to clearly provide that the proceeds of the loan described in the Loan Documents may be used for the acquisition and the acquisition and rebuilding of railroad locomotives to be used by the Borrower in its business as a commercial railroad line and that such locomotives shall be

6. Except as a modified and amended hereby, each of the aforesaid Loan Documents shall remain in full force and effect as written.

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

DEBTORS:

R. J. CORMAN RAILROAD COMPANY/
MEMPHIS LINE, a Kentucky corporation

BY: 
Richard J. Corman, President


RICHARD J. CORMAN


ROBYN CORMAN

R.J. CORMAN d/b/a R.J. CORMAN
RAILROAD CONSTRUCTION

BY: 
Richard J. Corman

R.J. CORMAN RAILROAD CORPORATION, a
Kentucky corporation

BY: 
Richard J. Corman, President

R.J. CORMAN RESTAURANT CORPORATION,
a Kentucky corporation

BY: 
Richard J. Corman, President

R.J. CORMAN RAILROAD COMPANY/
MATERIAL SALES, a Kentucky
corporation

BY: 
Richard J. Corman, President

subject to the security interest of the Lender therein; and to further provide that the rate of interest set out in the aforesaid Loan Agreement and Promissory Note may be modified and adjusted, from time to time, as may be agreed in writing by the Lender and the Borrower;

NOW THEREFORE, in consideration of the premises and the undertakings of the parties hereto, the parties hereby agree as follows:

1. Each of the aforesaid Loan Documents is hereby and shall be deemed to be modified, amended and expanded, as necessary, so as to permit the Borrower to use a portion or portions of the proceeds of the loan effected thereby for the acquisition and the acquisition and rebuilding of railroad locomotives.

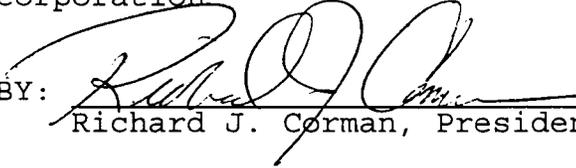
2. Any and all references in the aforesaid Loan Documents to "railcars", "rolling stock" and "collateral" regardless of how those terms may be otherwise described or defined in the aforesaid Loan Documents shall be deemed to include and shall be deemed to be modified, amended and expanded, as necessary to include railroad locomotives.

3. The term "Rolling Stock" as defined in paragraph 1. (a) of the aforesaid Mortgage and Security Agreement is hereby specifically modified, amended and expanded as necessary to include railroad locomotives acquired with the proceeds of the loan referenced in paragraph 2. (b) thereof and the term "Collateral" as used in paragraph 2. (a) and otherwise throughout the aforesaid Mortgage and Security Agreement shall be deemed to be modified, amended and expanded as necessary to include all railroad locomotives hereafter acquired by the Debtor from loan proceeds described in said instrument.

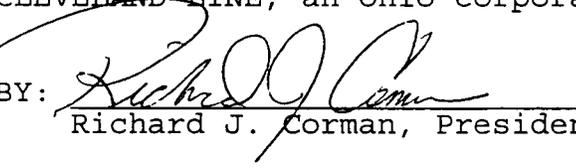
4. Exhibit A to the aforesaid Mortgage and Security Agreement is hereby and shall be deemed to be modified, amended and expanded as necessary so as to include in the description of the collateral contained therein, any and all railroad locomotives which may be acquired with the proceeds of the loan effected by the aforesaid Loan Agreement, together with all replacements, additional, substitutions, attachments, parts, accessories and tools belonging to or used in connection with the foregoing, and all cash or noncash proceeds from the same including, insurance proceeds from damage to or loss of said locomotives.

5. ARTICLE I, paragraph 3, of the aforesaid Loan Agreement and numerical paragraph 1 of the aforesaid Promissory Note, and each of them are hereby amended and expanded as necessary so as to provide that the interest rate stated therein may be modified and adjusted, from time to time, as may be agreed in writing by the Lender and the Borrower.

R.J. CORMAN RAILROAD COMPANY/
WESTERN OHIO LINE, an Ohio
corporation

BY: 
Richard J. Corman, President

R.J. CORMAN RAILROAD COMPANY/
CLEVELAND LINE, an Ohio corporation

BY: 
Richard J. Corman, President

SECURED PARTY:

FIRST NATIONAL BANK AND TRUST
COMPANY, a National Banking
Association

BY: 
DAVID A. WASH, JR.,
VICE PRESIDENT

**STATUTORY SHORT FORM OF ACKNOWLEDGMENTS
PURSUANT TO KENTUCKY REVISED STATUTES 423.160**

COMMONWEALTH OF KENTUCKY

COUNTY OF JESSAMINE

23 The foregoing instrument was acknowledged before me this day of January, 1996, by Richard J. Corman, President of R.J. Corman Railroad Company/Memphis Line, a Kentucky corporation, on behalf of the corporation; by Richard J. Corman, individually; by Robyn Corman, individually; by Richard J. Corman, doing business as R.J. Corman Railroad Construction; Richard J. Corman, President of R.J. Corman Railroad Corporation, a Kentucky corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Restaurant Corporation, a Kentucky corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Railroad Company/Material Sales, a Kentucky corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Railroad Company/Western Ohio Line, an Ohio corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Railroad Company/Cleveland Line, an Ohio corporation, on behalf of

the corporation; and by David A. Wash, Jr., Vice-President of First National Bank and Trust Company, a national banking association, on behalf of the banking association.

My Commission expires: 8-12-97

Linda C. Moore
NOTARY PUBLIC

Modified.Agr:RJC3:DRI/pbs