

BINGHAM, DANA & GOULD

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011-44-71-799-2646

14930-A

APR 1 1991 11 40 AM

1-091A003

INTERSTATE COMMERCE COMMISSION

March 29, 1991

BY MESSENGER

Interstate Commerce Commission  
Room 2303  
12th Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

Attention: Ms. Mildred Lee

Ladies and Gentlemen:

Enclosed for filing with the Commission pursuant to Section 11303(a) of Title 49 of the U.S. Code are two originally executed and notarized copies of the document described below.

This document is a supplement (the "Supplement") to a Security Agreement, dated as of March 26, 1986 (the "Security Agreement"), between MidSouth Rail Corporation (the "Debtor") and The First National Bank of Boston, as agent for itself and other lenders (the "Secured Party") covering the Debtor's rolling stock and all other properties and rights of the Debtor whether now owned or hereafter acquired. This supplement is a secondary document and supplements the Security Agreement which is a primary document.

The names and addresses of the parties to the Supplement and the Security Agreement are as follows: the Debtor is MidSouth Rail Corporation, whose chief executive office is located at 111 East Capitol Street, Jackson, Mississippi 39201; the Secured Party is The First National Bank of Boston, as agent, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

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Counterparts - 2

Interstate Commerce Commission, DIANA & GOULD  
March 28, 1991  
Page 2

This Supplement supplements the schedule of rolling stock attached as Schedule III to the Security Agreement to confirm and clarify the Secured Party's existing lien on and security interest in such rolling stock as collateral covered by the Security Agreement which was filed with the Commission on March 31, 1986 as document No. 14930.

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

"Supplement to Security Agreement dated as of March 27, 1991 supplementing a security agreement dated as of March 26, 1986 and recorded as document No. 14930 between MidSouth Rail Corporation, as the debtor, and The First National Bank of Boston, as agent, as secured party, confirming and clarifying the security interest in certain railroad cars, locomotives and other rolling stock as collateral covered by the Security Agreement."

Also enclosed is a check in the amount of fifteen dollars payable to the Interstate Commerce Commission, to cover the recording fee prescribed by the Commissioner in its rules and regulation.

Please acknowledge receipt of this document at your earliest convenience by returning to the undersigned in the envelope provided the enclosed copy of this letter together with a copy of the Supplement as filed.

If you have any questions with respect to the enclosed, please call the undersigned collect at 617-951-8760.

Sincerely,



Toby R. Serkin

/pew:0287U  
Enc.

Rolling Stock, as provided in the Security Agreement, in order to protect the security interest in and lien on such Rolling Stock created by the Security Agreement;

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

1. Supplement to Security Agreement. Schedule III to the Security Agreement is hereby supplemented by adding thereto the additional pages attached hereto as Schedule III. In no event shall the pages attached hereto as Schedule III be in lieu of said original Schedule III, it being understood and agreed that this Supplement is intended merely to confirm and clarify the Agent's existing lien on and security interest in the rolling stock listed and described on the pages attached hereto.

2. Representations and Warranties. The Company hereby represents and warrants to the Agent as follows:

(a) The execution and delivery by the Company of this Supplement and all other instruments and agreements required to be executed and delivered by the Company in connection with the transactions contemplated hereby or referred to herein (collectively, the "Supplemental Security Documents"), and the performance by the Company of its obligations and agreements under the Supplemental Security Documents and the Security Agreement as supplemented hereby, are within the corporate authority of the Company, have been authorized by all necessary corporate proceedings on behalf of the Company and do not and will not contravene any provision of law or any of the Company's charters, other incorporation papers, by-laws or any stock provision or any amendment thereof or of any indenture, agreement, instrument or undertaking binding upon the Company.

(b) This Supplement and the Security Agreement as supplemented hereby constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting generally the enforcement of creditors' rights.

(c) Except for the filing with the Interstate Commerce Commission with respect to this Supplement, no approval or consent of, or filing with, any governmental agency or authority is required to make

valid and legally binding the execution, delivery or performance by the Company of the Supplemental Security Documents or the Security Agreement as supplemented hereby, or the consummation by the Company of the transactions among the parties contemplated hereby and thereby or referred to herein.

(d) The representations and warranties contained in §5 of the Security Agreement were correct at and as of the date made. Except to the extent that the facts upon which such representations and warranties were based have changed in the ordinary course of business (which changes, either singly or in the aggregate, have not been materially adverse), such representations and warranties also are correct at and as of the date hereof.

(e) The Company has performed and complied in all material respects with all terms and conditions herein required to be performed or complied with by it prior to or at the time hereof, and as of the date hereof and, after giving effect to the provisions hereof, there exists no Default or Event of Default or condition which, with either or both the giving of notice or the lapse of time, would result in a Default or an Event of Default upon the execution and delivery of the Supplemental Security Documents or otherwise.

3. Conditions to Effectiveness. The effectiveness of this Supplement shall be subject to the conditions precedent set forth below in this Section 3. The signature of the Agent to this Supplement shall indicate that each of such conditions is satisfied.

(a) Execution and Delivery. The Company and the Agent have executed and delivered counterparts of this Supplement.

(b) Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Supplement and all documents incident thereto and which the Agent reasonably deems necessary or proper to continue the security interest and lien created by the Security Agreement as supplemented hereby shall be reasonably satisfactory in form and substance to the Agent, and the Agent has received all information and such counterpart originals or certified or other copies of such documents as the Agent may reasonably request.

4. Miscellaneous Provisions. (a) All of the terms, conditions and provisions of the Security Agreement shall remain the same. It is declared and agreed by each of the parties hereto that the Security Agreement, as supplemented hereby, shall continue in full force and effect, and that this Supplement and the Security Agreement shall be read and construed as one instrument.

(b) Except as otherwise required by the laws of any jurisdiction in which any Collateral is located, this Supplement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

(c) This Supplement may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this Supplement, it shall not be necessary to produce or account for more than one counterpart signed by the party against whom enforcement is sought.

(d) The Company hereby agrees to pay to the Agent, on demand by the Agent, all reasonable and out-of-pocket costs and expenses incurred or sustained by the Agent in connection with the preparation of this Supplement (including reasonable legal fees).

IN WITNESS WHEREOF, the parties hereto have executed this Supplement as an agreement under seal as of the date first written above.

MIDSOUTH RAIL CORPORATION

By: Mark M. Hew  
Title

THE FIRST NATIONAL BANK OF BOSTON,  
as Agent

By: \_\_\_\_\_  
Title:

4. Miscellaneous Provisions. (a) All of the terms, conditions and provisions of the Security Agreement shall remain the same. It is declared and agreed by each of the parties hereto that the Security Agreement, as supplemented hereby, shall continue in full force and effect, and that this Supplement and the Security Agreement shall be read and construed as one instrument.

(b) Except as otherwise required by the laws of any jurisdiction in which any Collateral is located, this Supplement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

(c) This Supplement may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this Supplement, it shall not be necessary to produce or account for more than one counterpart signed by the party against whom enforcement is sought.

(d) The Company hereby agrees to pay to the Agent, on demand by the Agent, all reasonable and out-of-pocket costs and expenses incurred or sustained by the Agent in connection with the preparation of this Supplement (including reasonable legal fees).

IN WITNESS WHEREOF, the parties hereto have executed this Supplement as an agreement under seal as of the date first written above.

MIDSOUTH RAIL CORPORATION

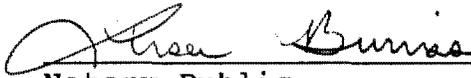
By: \_\_\_\_\_  
Title

THE FIRST NATIONAL BANK OF BOSTON,  
as Agent

By: Michael J. Blake  
Title: Director

STATE OF \_\_\_\_\_ )  
Washington, D.C. ) ss.  
COUNTY OF \_\_\_\_\_ )

On this 27th day of March, 1991, before me personally appeared Mark M. Levin, to me personally known, who, being by me duly sworn, says that (s)he is Chairman of Bd. of MidSouth Rail Corporation, and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires September 14, 1995  
My commission expires:

COMMONWEALTH OF MASSACHUSETTS )  
 ) ss.  
COUNTY OF SUFFOLK )

On this \_\_\_\_ day of March, 1991, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that (s)he is \_\_\_\_\_ of The First National Bank of Boston, and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public  
My commission expires:

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of March, 1991, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that (s)he is \_\_\_\_\_ of MidSouth Rail Corporation, and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

My commission expires:

COMMONWEALTH OF MASSACHUSETTS )  
 ) ss.  
COUNTY OF SUFFOLK )

On this 27<sup>th</sup> day of March, 1991, before me personally appeared Michael J. Blake, to me personally known, who, being by me duly sworn, says that ~~he~~ is director of The First National Bank of Boston, and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and ~~(X)~~he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Janele A. Joz  
Notary Public

My commission expires: 7/31/92

SCHEDULE III

FILE: MSOWLOC0  
DISK: GAJE0391

26-Mar-91  
08:14 AM

MIDSOUTH RAIL CORP. LOCOMOTIVES OWNED:

OWNER	# OF UNITS	LOCOMOTIVE OLD #	LOCOMOTIVE NEW #	DESIGNATION
MERC	1	2509	7002	CF-7
MERC	1	2521	7003	CF-7
MERC	1	2564	7004	CF-7
MERC	1	2591	7005	CF-7
MERC	1	2586	7006	CF-7
MERC	1	2504	7007	CF-7
MERC	1	2577	7008	CF-7
MERC	1	2573	7009	CF-7
MERC	1	2561	7010	CF-7
MERC	1	2616	7011	CF-7
MERC	1	2538	7012	CF-7
MERC	1	2566	7013	CF-7
MERC	1	2589	7014	CF-7
MERC	1	2596	7015	CF-7
MERC	1	8192	1001	GP-10
MERC	1	8087	1002	GP-10
MERC	1	8142	1003	GP-10
MERC	1	8120	1004	GP-10
MERC	1	8029	1005	GP-10
MERC	1	8127	1006	GP-10
MERC	1	8112	1007	GP-10
MERC	1	8074	1008	GP-10
MERC	1	8102	1009	GP-10
MERC	1	8062	1010	GP-10
MERC	1	8076	1011	GP-10
MERC	1	8026	1012	GP-10
MERC	1	8108	1013	GP-10
MERC	1	8155	1014	GP-10
MERC	1	8306	1015	GP-10
MERC	1	8018	1016	GP-10
MERC	1	8348	1017	GP-10
MERC	1	8282	1018	GP-10
MERC	1	8273	1019	GP-10
MERC	1	8276	1020	GP-10
MERC	1	8318	1021	GP-10
MERC	1	8003	1022	GP-10
MERC	1	8007	1023	GP-10
MERC	1	8125	1024	GP-10
MERC	1	8328	1025	GP-10
MERC	1	8268	1026	GP-10
MERC	1	8140	1027	GP-10
MERC	1	8107	1028	GP-10
MERC	1	8152	1029	GP-10
MERC	1	8287	1030	GP-10
MERC	1	8307	1031	GP-10
MERC	1	8184	1032	GP-10
MERC	1	8128	1033	GP-10

FILE: MSONLOCO  
DISK: GAJH0391

26-Mar-91  
08:14 AM

MIDSOUTH RAIL CORP. LOCOMOTIVES OWNED:

OWNER	# OF UNITS	LOCOMOTIVE OLD #	LOCOMOTIVE NEW #	DESIGNATION	
MSRC	1	8081	1034	GP-10	
MSRC	1	8143	1035	GP-10	
MSRC	1	8177	1036	GP-10	
MSRC	1	8137	1037	GP-10	
MSRC	1	8139	1038	GP-10	
MSRC	1	8122	1039	GP-10	
MSRC	1	8078	1040	GP-10	
MSRC	1	8141	1041	GP-10	
MSRC	1	8281	1042	GP-10	
MSRC	1	8322	1043	GP-10	
MSRC	1	8071	1044	GP-10	
MSRC	1	8088	1045	GP-10	
MSRC	1	8094	1046	GP-10	
MSRC	1	8151	1047	GP-10	
MSRC	1	8166	1048	GP-10	
MSRC	1	8196	1049	GP-10	
MSRC	1	8160	1050	GP-10	
MSRC	1	9174	9001	GP-9	
MSRC	1	9006	9002	GP-9	
MSRC	1	9344	9003	GP-9	
MSRC	1	9360	9004	GP-9	
MSRC	1	9368	9005	GP-9	
MSRC	1	9419	1801	GP-18	
MSRC	1	9421	1802	GP-18	
MSRC	1	9422	1803	GP-18	
MSRC	1	9404	1804	GP-18	
MSRC	1	8009	1058	GP-10	
MSRC	1	8025	1079	GP-10	
MSRC	1	8052	1067	GP-10	
MSRC	1	8069	1069	GP-10	
MSRC	1	8082	1052	GP-10	
MSRC	1	8099		GP-10	WRECKED & STORED AT VEJUNG.
MSRC	1	8259		GP-10	WRECKED & STORED AT VEJUNG.
MSRC	1	9145		GP-10 9	WRECKED & STORED AT VEJUNG.
MSRC	1	9178		GP-10 9	WRECKED & STORED AT VEJUNG.
MSRC	1	9340		GP-9	WRECKED & STORED AT VEJUNG.

FILE: MISLERLST  
DISK: GAJE0391

MIDSOUTH RAIL CORP.  
FREIGHT CARS  
LEASED - AS OF 02/11/91

25-Mar-91

# OF CARS	DESCRIPTION	LESSOR	MARKS	SERIES
100	50' BOXCARS	ITEL	MSRC	11000-18000
15	50' BOXCARS	VBURG. CHEMICAL	MSRC	5000-5010
10	50' BOXCARS	GREENBRIER	WCRC	70000-70009
100	60' BOXCARS	ITEL	MSRC	4300-4399
91	60' BOXCARS	ITEL	MSRC	4000-4090
110	60' BOXCARS	ITEL	HS	60000-60126
13	60' BOXCARS	HELM	MSRC	4200-4240
33	COVERED HOPPERS	IC	IC/ICG	700000-700600
38	BULKHEAD FLATS	ANDERSON TULLY	MSRC	10407-170150
25	CENTER BEAM FLAT CARS	GREENBRIER	WCRC	1020-1040
100	CENTER BEAM FLAT CARS	GREENBRIER	WCRC	2300-2390
25	CENTER BEAM FLAT CARS	GREENBRIER	WCRC	2700-2720
47	CENTER BEAM FLAT CARS	GREENBRIER	MSRC	6000-6040
15	CENTER BEAM FLAT CARS	GREENBRIER	WCRC	2460-2470
27	CHIP HOPPERS	WEYERHAEUSER	MSV	1440-1460
100	CHIP HOPPERS	IC	ICG/GMD	VARIOUS
851	TOTAL MSRC CARS LEASED			

MIDSOUTH RAIL CORP.  
FREIGHT CARS  
OWNED - AS OF 02/11/91

# OF CARS	DESCRIPTION	OWNER	MARKS	SERIES
25	WOODRACKS	MSRC	MSRC	3000-3100
10	GONDOLAS	MSRC	MSRC	2300-2460
16	TANK CARS	MSRC	MSRC	1200-1210
51	TOTAL MSRC CARS OWNED			

14930-A  
REGISTRATION NO. FILED DATE

APR 1 1991 - 11 40 AM  
INTERSTATE COMMERCE COMMISSION

SUPPLEMENT  
to  
SECURITY AGREEMENT

dated as of March 26, 1986

This SUPPLEMENT, dated as of March 27, 1991, between MIDSOUTH RAIL CORPORATION, a Delaware corporation having its chief executive office at 111 East Capitol Street, Jackson, Mississippi 39201 (the "Company"), and THE FIRST NATIONAL BANK OF BOSTON as agent (the "Agent") for itself and the banks which are or may become parties to that certain Revolving Credit and Term Loan Agreement, dated as of March 26, 1986, as amended and restated by that certain Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 3, 1987, as amended (as so amended, the "Credit Agreement") among the Company, the Agent and such banks (such banks are individually referred to herein as a "Secured Party" and collectively referred to herein as the "Secured Parties"). Capitalized terms which are used herein without definition and which are defined in the Security Agreement referred to below shall have the same meanings herein as in the Security Agreement.

WHEREAS, the Company and the Agent for the benefit of the Secured Parties entered into a Security Agreement dated as of March 26, 1986 (the "Security Agreement"), pursuant to which the Company provided collateral security to secure the due and prompt payment and performance of all of its obligations then or thereafter arising under or with respect to the Credit Agreement and the related loan documents; and

WHEREAS, under the terms of the Security Agreement the Company agreed that it will execute and deliver to the Agent for the benefit of the Secured Parties supplemental security agreements and certain other instruments referred to in the Security Agreement, and file the same in the appropriate recording office, at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock owned or leased by the Company; and

WHEREAS, the Company has informed the Agent that certain changes have been made in the markings and serial numbers on certain of the Rolling Stock; and

WHEREAS, the Company and the Agent wish to enter into this Supplement in order to supplement the schedule of Rolling Stock which is currently attached to the Security Agreement with the new markings and serial numbers of such