

BINGHAM, DANA & GOULD

150 FEDERAL STREET
BOSTON, MASSACHUSETTS 02110

TELEPHONE (617) 951-8000
TELEX 275147 BGDG BSN UR
CABLE ADDRESS BLDGDHAM BSN
TELECOPY (617) 951-8736

WASHINGTON OFFICE
(202) 822-9320

HARTFORD OFFICE
~~203 234-1770~~ 16695-A

CAPE COD OFFICE
(508) 420-0283

LONDON OFFICE
011-44-71 799-2646

APR 1 1991 - 11 40 AM

1-091A004

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 December 29, 1989 (the "Security Agreement"), between SouthRail Corporation (the "Debtor") and Deposit Guaranty National Bank, as collateral 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 SouthRail Corporation, whose chief executive office is located at 111 East Capitol Street, Jackson, Mississippi 39201; the Secured Party is Deposit Guaranty National Bank, as collateral agent, whose head office is located at One Deposit Guaranty Plaza, Jackson, Mississippi 39201.

APR 1 11 39 PM '91
11:39 PM '91

Countrywide - Ed M. Green

BINGHAM, DANA & GOULD
Interstate Commerce Commission
March 29, 1991
Page 2

This Supplement supplements the schedule of rolling stock attached as Schedule IV 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 December 29, 1989 as document No. 16695.

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 December 29, 1989 and recorded as document No. 16695 between SouthRail Corporation, as the debtor, and Deposit Guaranty National Bank, as collateral 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:0748u
Enc.

RECORDATION NO. 16695-A FILED 1025

APR 1 1991 - 11 40 AM

INTERSTATE COMMERCE COMMISSION

SUPPLEMENT
to
SECURITY AGREEMENT

dated as of December 29, 1989

This SUPPLEMENT, dated as of March 27, 1991, between SOUTHRAIL CORPORATION, a Delaware corporation having its chief executive office at 111 East Capitol Street, Jackson, Mississippi 39201 (the "Company"), and DEPOSIT GUARANTY NATIONAL BANK as collateral agent (the "Collateral Agent") for itself and the banks which are or may become parties to that certain Revolving Credit and Term Loan Agreement, dated as of December 29, 1989, as amended (as so amended, the "Credit Agreement") among the Company, the Collateral 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 Collateral Agent for the benefit of the Secured Parties entered into a Security Agreement dated as of December 29, 1989 (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 Collateral 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 Collateral 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 Collateral 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 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 IV to the Security Agreement is hereby supplemented by adding thereto the additional pages attached hereto as Schedule IV. In no event shall the pages attached hereto as Schedule IV be in lieu of said original Schedule IV, it being understood and agreed that this Supplement is intended merely to confirm and clarify the Collateral 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 Collateral 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 Collateral Agent to this Supplement shall indicate that each of such conditions is satisfied.

(a) Execution and Delivery. The Company and the Collateral 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 Collateral 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 Collateral Agent, and the Collateral Agent has received all information and such counterpart originals or certified or other copies of such documents as the Collateral 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 Collateral Agent, on demand by the Collateral Agent, all reasonable and out-of-pocket costs and expenses incurred or sustained by the Collateral 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.

SOUTHRAIL CORPORATION

By: *Mark M. Lee*
Title

DEPOSIT GUARANTY NATIONAL BANK,
as Collateral 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 Collateral Agent, on demand by the Collateral Agent, all reasonable and out-of-pocket costs and expenses incurred or sustained by the Collateral 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.

SOUTHRAIL CORPORATION

By: _____
Title

DEPOSIT GUARANTY NATIONAL BANK,
as Collateral Agent

By: Anthony Thomas
Title: Senior Vice President

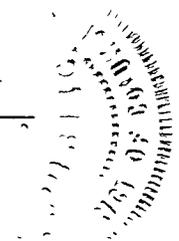
STATE OF _____)
Washington, D.C.) ss.
COUNTY OF _____)

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 SouthRail 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.

Alisa Burns

Notary Public
My Commission Expires September 14, 1993

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 Deposit Guaranty National Bank, 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 SouthRail 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:

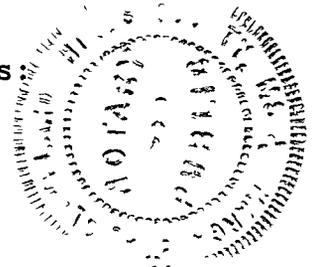
STATE OF Mississippi)
) ss.
COUNTY OF Hinds)

On this 28th day of March, 1991, before me personally appeared Anthony Thomas, to me personally known, who, being by me duly sworn, says that (s)he is Gr. VP of Deposit Guaranty National Bank, 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.

Margaret B. Cleveland
Notary Public

My commission expires:

My Commission Expires March 12, 1992



SCHEDULE IV

FILE: SROWLCCO
DISK: GAJE0391

25-Mar-91
01:24 PM

SOUTHRAIL CORP. LOCOMOTIVES OWNED:

OWNER	# OF UNITS	LOCOMOTIVE OLD #	LOCOMOTIVE NEW #	DESIGNATION
SR	1	8034	1056	GP-10
SR	1	8051	1077	GP-10
SR	1	8100	1078	GP-10
SR	1	8106	1051	GP-10
SR	1	8115	1064	GP-10
SR	1	8133	1061	GP-10
SR	1	8148	1063	GP-10
SR	1	8167	1073	GP-10
SR	1	8187	1068	GP-10
SR	1	8191	1057	GP-10
SR	1	8193	1062	GP-10
SR	1	8195	1053	GP-10
SR	1	8197	1054	GP-10
SR	1	8210	1055	GP-10
SR	1	8212	1063	GP-10
SR	1	8215	1072	GP-10
SR	1	8222	1083	GP-10
SR	1	8223	1082	GP-10
SR	1	8224	1080	GP-10
SR	1	8225	1074	GP-10
SR	1	8226	1075	GP-10
SR	1	8227	1066	GP-10
SR	1	8228	1071	GP-10
SR	1	8230	1081	GP-10
SR	1	8235	1070	GP-10
SR	1	8236	1085	GP-10
SR	1	8247	1060	GP-10
SR	1	8248	1084	GP-10
SR	1	8256	1059	GP-10
SR	1	8266	1076	GP-10
SR	1	1775	9006	GP-9
TOTAL	31			

FILE: BRROLSTK
DISK: (AJE0391

SOUTHRAIL CORP.
FREIGHT CARS
LEASED - AS OF 02-11-91

23-MAR-91

# OF CARS	DESCRIPTION	LESSOR	MARKS	SERIES
20	50' BOXCARS	ITEL	GMSR	20000-20090
31	50' BOXCARS	ITEL	GMSR	49501-49560
150	50' BOXCARS	ITEL	HS	14000-14140
120	50' BOXCARS	BRAE	ADN	5601-9600
79	60' BOXCARS	ITEL	GMSR	40401-40540
64	WOODRACKS	IC	GMSR	3779-63677
50	GONDOLAS	US RAILCAR	SR	19029-19500
45	GONDOLAS	HELM	SR	15000-15140
10	GONDOLAS	LEFC	GMSR	1305-1310
100	OPEN TOP COAL HOPPERS	ITEL	GMSR	63018-63180
58	OPEN TOP COAL HOPPERS	LITE	ATSF	78420-80790
80	OPEN TOP COAL HOPPERS	ATSF	ATSF	80023-80178
12	COVERED HOPPERS	ITEL	PLWX/TLCX	VARIOUS
10	COVERED HOPPERS	ITEL	PLCX	VARIOUS
60	COVERED HOPPERS	ITEL	GMSR	167-20010
50	COVERED HOPPERS	ITEL	SR	20100 SHIP
58	CHIP HOPPERS	IC	GMSR	82551-82790
40	CHIP HOPPERS	WEYERHAEUSER	MSV	1400-14150
146	CHIP HOPPERS	KCS	GMSR	4800-50209
8	TANK CARS	ITEL	TLDX	92301
	"	"	PLCX	224835
-----	-----	-----	-----	-----
1191	TOTAL SR CARS LEASED			

SOUTHRAIL CORP.
FREIGHT CARS
OWNED - AS OF 02-11-91

# OF CARS	DESCRIPTION	OWNER	MARKS	SERIES
25	BULKHEAD FLATS	SR	GMSR	945000-945025
25	TOTAL SR CARS OWNED			