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RECORDATION NO 16752-1A
FILED 1425

JUL 13 1990 -4 00 PM
July 12, 1990
INTERSTATE COMMERCE COMMISSION

NOT ADMITTED IN
ACTION OFFICERS UNIT
JUL 13 9 52 PM '90

The Honorable Noretta R. McGee
Secretary
Interstate Commerce Commission
Room 1324
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

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 a First Amendment to Security Agreement, a secondary document, dated July 11, 1990.

The primary document to which this is connected is recorded under Recordation No. 16752.

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

Debtors: Gulf & Ohio Railways, Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Alabama & Florida Railroad Company, Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Wiregrass Central Railroad Company, Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Handwritten signatures and initials

July 13, 1990

Mississippi Delta Equipment Co., Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Secured Party: AmSouth Bank, N.A.
P.O. Box 11007
Birmingham, Alabama 35288
Attn: National Banking Department

A description of the equipment covered by the document follows:

A secured interest in the rolling stock and other property of Gulf & Ohio Railways, Inc., Alabama & Florida Railroad Company, Inc., Wiregrass Central Railroad Company, Inc. and Mississippi Delta Equipment Company, Inc. described in Schedule A.

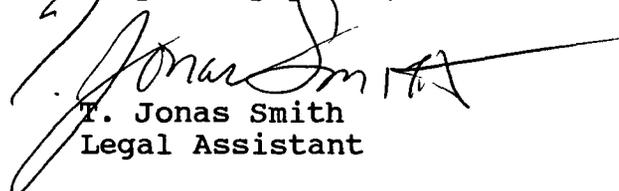
A fee of \$15.00 is enclosed, pursuant to 49 C.F.R. Section 1002.2(f)(84). Please return the originals and any extra copies not needed by the Commission for recordation to:

T. Jonas Smith
Weiner, McCaffrey, Brodsky, Kaplan
& Levin, P.C.
1350 New York Avenue, N.W.
Suite 800
Washington, D.C. 20005

A short summary to appear in the index follows:

First Amendment To Security Agreement to Security Agreement with Recordation No. 16752, dated July 11, 1990 and covering the rolling stock and other property of Gulf & Ohio Railways, Inc.; Alabama & Florida Railroad Company, Inc.; Wiregrass Central Railroad Company, Inc.; and Mississippi Delta Equipment Company, Inc. as listed in Exhibit D of the Security Agreement.

Very truly yours,


T. Jonas Smith
Legal Assistant

Enclosures

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Interstate Commerce Commission
Washington, D.C. 20423

7/13/90

OFFICE OF THE SECRETARY

T. Jonas Smith
Weiner, McCaffrey Brodsky, Kaplan
& Levin P.C.
1350 New York Ave. N.W.
Suite 800
Washington, D.C. 20005

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 7/13/90 at 4:00pm and assigned recordation number(s). 16752-A

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

RECORDATION NO. 16752-A FILED 1425

JUL 13 1990 4:00 PM
INTERSTATE COMMERCE COMMISSION

FIRST AMENDMENT TO SECURITY AGREEMENT

THIS FIRST AMENDMENT TO SECURITY AGREEMENT (hereinafter called "this Amendment"), is made and entered into as of July 11, 1990, by and among Gulf & Ohio Railways, Inc., a Tennessee corporation, Alabama & Florida Railroad Company, Inc., an Alabama corporation, Wiregrass Central Railroad Company, Inc., an Alabama corporation and Mississippi Delta Equipment Co., Inc., a Tennessee corporation (together, the "Borrowers" or individually, a "Borrower") and AmSouth Bank N.A., a national banking association (the "Lender").

Recitals

A. The Borrowers have heretofore executed and delivered that certain Security Agreement dated as of February 5, 1990 (the "Security Agreement") by and among the Borrowers and the Lender, said Security Agreement being recorded with the Interstate Commerce Commission and assigned Recordation Number 16752.

B. The Borrowers and the Lender have, contemporaneously with the execution and delivery of this Amendment, executed and delivered a certain first amendment to the Loan Agreement (as defined in the Security Agreement) (the "First Amendment") and wish to make certain corresponding amendments to the Security Agreement, as hereinafter set forth.

Amendment

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual agreement of the parties thereto, the Borrowers and the Lender hereby agree that the Security Agreement be, and it is hereby, amended as follows:

1. Paragraph A of the Recitals on page 1 of the Security Agreement is hereby amended to read, in its entirety, as follows:

A. The Borrowers and the Lender have entered into a Loan Agreement dated as of February 5, 1990 and amended by that certain First Amendment to Loan Agreement dated as of July 11, 1990 (as amended or as may be amended from time to time, the "Loan Agreement"), pursuant to which the Lender has agreed to make available to the Borrowers a term loan in the

principal amount of \$1,440,000 (the "Term Loan") and a revolving line of credit in the maximum principal amount at any one time outstanding of \$450,000 (the "Line of Credit") (the principal amounts outstanding from time to time under the Term Loan and the Line of Credit being hereinafter sometimes together called the "Loans"). The proceeds of the Loans are to be used by the Borrowers for the purposes set forth in the Loan Agreement.

2. Paragraph B of the Recitals on page 1 of the Security Agreement is hereby amended to read, in its entirety, as follows:

B. The Term Loan is to be evidenced by the Borrowers' promissory note of even date herewith in the principal amount of \$1,440,000 (the "Term Note") and the Line of Credit is to be evidenced by the Borrowers' modified master promissory note in the maximum principal amount of \$450,000 (the "Line of Credit Master Note") modifying that certain master promissory note dated February 5, 1990, in the maximum principal amount of \$250,000 (the Term Note and the Line of Credit Master Note, as modified, being hereinafter sometimes together called the "Notes" or individually called a "Note" where no distinction is required). Each of the Notes bears interest as provided therein.

3. In order to induce the Bank to enter into the First Amendment and this Amendment, the Borrowers hereby represent and warrant that all the representations and warranties set forth in the Security Agreement are true and correct as of the date of this Amendment and as of the date of execution thereof as fully as if said representations and warranties had been made on and as of each of said dates; and no Event of Default under Section 17 of the Security Agreement has occurred and is continuing.

4. Except as hereby expressly modified and amended, the Security Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned Borrowers has caused this instrument to be executed in its name and

on its behalf by its officers thereunto duly authorized,
all as of the date first above written.

GULF & OHIO RAILWAYS, INC.

By 
Its: President

ALABAMA & FLORIDA RAILROAD
COMPANY, INC.

By 
Its: President

WIREGRASS CENTRAL RAILROAD
COMPANY, INC.

By 
Its: President

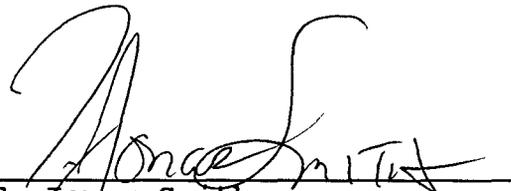
MISSISSIPPI DELTA EQUIPMENT
CO., INC.

By 
Its: President

AFFIDAVIT

I, T. Jonas Smith, being first duly sworn upon oath, depose and say that I have compared the document attached, a copy of the First Amendment To Security Agreement dated July 11, 1990 between Gulf & Ohio Railways, Inc., Alabama & Florida Railroad Company, Inc., Wiregrass Central Railroad Company, Inc., Mississippi Delta Equipment Company, Inc. and AmSouth Bank, N.A., with the original document and that the copy is complete and identical in all respects to the original document.

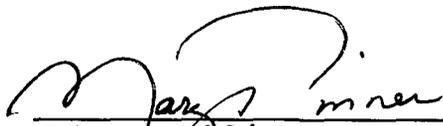
Dated this 13th day of July, 1990.



T. Jonas Smith

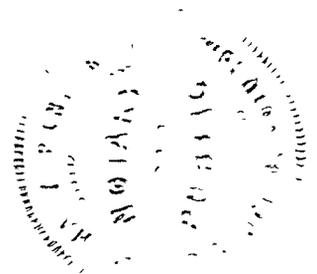
Washington)
District of Columbia) ss:

13th SUSCRIBED AND SWORN to before me, a Notary Public, this day of July, 1990.



Notary Public

My Commission expires: May 14, 1995

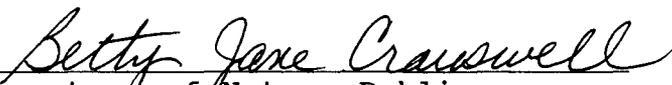


State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Gulf & Ohio Railways, Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Alabama & Florida Railroad Company, Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Wiregrass Central Railroad Company, Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Betty Jane Crauswell
Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Mississippi Delta Equipment Co., Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Betty J. Crauswell
Signature of Notary Public

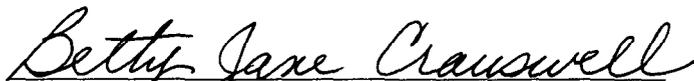
My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Gulf & Ohio Railways, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Alabama & Florida Railroad Company, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Wiregrass Central Railroad Company, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Betty Jane Crauswell
Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991

State of Alabama)

County of Jefferson)

On this 11th day of July, 1990 before me personally appeared, H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is the President of Mississippi Delta Equipment Co., Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Betty Jane Crauswell
Signature of Notary Public

My Commission expires My Commission Expires June 17, 1991