

**SCHMID, JONES & MEADOWS, PLLC**

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February 28, 2000

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

RECORDATION NO. 18718-J FILED

MAR 15 '00 11-28 AM

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SURFACE TRANSPORTATION BOARD



Dear Secretary Williams:

I have enclosed two (2) originals of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the United States Code.

The Amended, Restated and Consolidated Security Agreement (the "Agreement") is a secondary document amending the primary document recorded February 24, 1994 with the Interstate Commerce Commission under recordation number 18718 (the "Original Security Document"). The Original Security Document has been previously amended by other secondary documents. The Agreement supercedes all such earlier recorded secondary documents.

The parties to the Agreement are as follows:

The Grantors of the Security Interest (the "Grantors"):

Gulf & Ohio Railways Holding Co., Inc. <sup>A</sup>  
Gulf & Ohio Railways, Inc. <sup>A</sup>  
Wiregrass Central Railroad Company, Inc. <sup>A</sup>  
Piedmont & Atlantic Railroad Co., Inc. <sup>A</sup>  
Rocky Mount & Western Railroad Co., Inc. <sup>A</sup>  
Lexington & Ohio Railroad Co., Inc. <sup>A</sup>  
Knoxville & Holston River Railroad Co., Inc. <sup>A</sup>  
Knoxville Locomotive Works, Inc. <sup>A</sup>  
Laurinburg & Southern Railroad Co., Inc. <sup>A</sup>  
Tennessee Railcar Services, Inc. <sup>A</sup>  
Gulf & Ohio Airways, Inc. <sup>A</sup>

The Chief Executive Offices for each of the Grantors is located at:

401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

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Honorable Vernon A. Williams, Secretary  
Page 2  
February 28, 2000

Secured Party:

Bank of America, N.A. (successor by merger to NationsBank of Tennessee, N.A.)  
550 Main Avenue  
Knoxville, Tennessee 37902

Please index this Agreement under each of the names listed above.

Included in the property covered by the Agreement are:

the rolling stock, locomotives, railcars, boxcars, hopper cars listed on Exhibit "A" attached to the Agreement and all machinery, tools, implements and other railroad related appliances, fixtures, apparatus, facilities, material and supplies used in connection with or pertaining to such rolling stock, locomotives, railcars, boxcars and hopper cars.

A fee of \$26.00 is enclosed pursuant to the schedule of filing fees appearing at 49 C.F.R. §1002(f)(83). Please return the originals if not needed to:

Schmid, Jones & Meadows, PLLC  
P.O. Box 377  
Knoxville, TN 37901-0377  
Attn: Jeffrey J. Wall, Esq.

The Agreement should be indexed as follows:

Amended, Restated and Consolidated Security Agreement creating a security interest in certain rolling stock, locomotives, railcars, boxcars, hopper cars and other railroad equipment owned by the Grantors.

MAR 15 '00 11-28 AM

## SURFACE TRANSPORTATION BOARD

## AMENDED, RESTATED AND CONSOLIDATED SECURITY AGREEMENT

**AMENDED, RESTATED AND CONSOLIDATED SECURITY AGREEMENT**  
(this "Security Agreement"), dated as of February 25, 2000, made by **GULF & OHIO RAILWAYS HOLDING CO., INC.**, a Tennessee corporation ("Borrower"); **GULF & OHIO RAILWAYS, INC.**, a Tennessee corporation ("G&O"); **WIREGRASS CENTRAL RAILROAD COMPANY, INC.**, an Alabama corporation ("Wiregrass"); **PIEDMONT & ATLANTIC RAILROAD CO., INC.**, a Tennessee corporation ("P&A"); **ROCKY MOUNT & WESTERN RAILROAD CO., INC.**, a Tennessee corporation ("RMWR"); **LEXINGTON & OHIO RAILROAD CO., INC.**, a Tennessee corporation ("LORR"); **KNOXVILLE & HOLSTON RIVER RAILROAD CO., INC.**, a Tennessee corporation ("KHRR"); **KNOXVILLE LOCOMOTIVE WORKS, INC.**, a Tennessee corporation ("Knoxville Locomotive"); **TENNESSEE RAILCAR SERVICES, INC.**, a Tennessee corporation ("Railcar"); **LAURINBURG & SOUTHERN RAILROAD CO., INC.**, a Tennessee corporation ("Laurinburg"), and **GULF & OHIO AIRWAYS, INC.**, a Tennessee corporation ("Airways") (hereinafter, the Borrower, G&O, Wiregrass, P&A, RMWR, LORR, KHRR, Knoxville Locomotive and Laurinburg are referred to collectively as the "Original Grantors," and the Original Grantors, together with Railcar and Airways, are referred to collectively as the "Grantors"), to **BANK OF AMERICA, N.A.**, a national banking association and successor by merger to NationsBank of Tennessee, N.A. (the "Bank"), pursuant to the terms of the Amended and Restated Credit Agreement dated as of the date hereof by and among the Grantors and the Bank (hereinafter, as the same may from time to time be amended, supplemented or otherwise modified, the "Credit Agreement", and except as otherwise may be defined herein, all capitalized terms herein shall have the meanings set forth in the Credit Agreement):

WITNESSETH:

WHEREAS, pursuant to the terms of the Credit Agreement, the Bank has agreed to make available to the Borrower the Revolving Credit Facility in the original principal amount not exceeding \$5,000,000, evidenced by the Revolving Credit Note; and

WHEREAS, the Bank has agreed to make the Revolving Credit Facility available to the Borrower under the Credit Agreement, but only upon the condition, among others, that the Grantors shall have executed and delivered to the Bank this Security Agreement; and

WHEREAS, this Security Agreement amends, restates and consolidates (i) the Amended, Restated and Consolidated Security Agreement dated as of July 31, 1998 by and among the Original Grantors and the Bank (the "Prior Security Agreement") and (ii) any and all Security Agreements executed by any or all Grantors or other Persons in favor of the Bank prior to the Prior Security Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. The following terms shall have the following meanings when used herein, unless the context otherwise requires (such meanings to be equally applicable to the singular and plural):

"Accounts": any "Account", as such term is defined in Section 9-106 of the Code.

"Account Debtor": the party who is obligated on an Account.

"Chattel Paper": "chattel paper" as such term is defined in Section 9-105 of the Code.

"Code": the Uniform Commercial Code as the same may from time to time be in effect in the State of Tennessee.

"Collateral": the meaning assigned to it in Section 2 of this Security Agreement.

"Collateral Account": the meaning assigned to it in Section 3 of this Security Agreement.

"Contracts": all contracts, instruments, undertakings, documents or other agreements in or under which any Grantor may now or hereafter have any right, title or interest.

"Documents": any "documents", as such term is defined in Section 9-105 of the Code.

"Equipment": any "equipment", as such term is defined in Section 9-109(2) of the Code, including, without limitation, the railroad rolling stock described on Exhibit A attached hereto and incorporated herein by reference.

"Event of Default": any of the events specified in Section 8 of this Security Agreement.

"General Intangibles": any "general intangibles", as such term is defined in Section 9-106 of the Code.

"Instrument": any "instrument" as such term is defined in Section 9-105 of the Code.

"Inventory": any "inventory", as such term is defined in Section 9-109(4) of the Code.

"Proceeds": any "proceeds", as such term is defined in Section 9-306 of the Code.

"Security Agreement": this Amended, Restated and Consolidated Security Agreement, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

Section 2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due of all the Obligations and in order to induce the Bank to make the Revolving Credit Facility available to the Borrower, each of the Grantors hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Bank, a security interest and lien in, all such Grantor's rights, titles and interests in, to and under the following, whether now existing or hereafter acquired (all of which being hereinafter collectively called the "Collateral"):

- (i) all Accounts, Contracts and contract rights and General Intangibles;
- (ii) all Equipment;
- (iii) all Inventory;

(iv) all other personal property of each such Grantor, including, without limitation, all rolling stock, locomotives, railcars, boxcars, hopper cars and all machinery, tools, implements and other railroad related appliances, fixtures, apparatus and facilities, trackage, material and supplies used in connection with or pertaining to any railroad lines owned, leased and/or operated by each such Grantor, including, without limitation, the rolling stock, boxcars and locomotives listed on Exhibit A attached hereto and which by this reference are incorporated herein as if fully set forth herein;

(v) all Documents, Instruments and Chattel Paper;

(vi) all of each such Grantor's books of account, records, ledger sheets and documents relating to the foregoing; and

(vii) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing (hereinafter, the items described in (i), (ii), (iii), (iv), (v) and (vi) above are referred to collectively sometimes as the "Personal Property").

### Section 3. Rights of the Bank; Limitations on Bank's Obligations; Sales and Collections.

(a) If required by the Bank at any time after the occurrence and continuation of an Event of Default, upon written notice by Bank to Grantors, any Proceeds, when collected by any Grantor, shall be promptly deposited by such Grantor in precisely the form received, except for its endorsement when required, in a special bank account maintained by the Bank (the "Collateral Account"), subject to withdrawal by the Bank only, as hereinafter provided, and until so turned over, shall be deemed to be held in trust by such Grantor for and as the Bank's property and shall not be commingled with such Grantor's other funds. Such Proceeds, when deposited, shall continue to be collateral security for all of the Obligations and shall not constitute payment thereof until applied as hereinafter provided. If an Event of Default shall have occurred and be continuing, the Bank shall, at such intervals as it shall determine, apply all or any part of the funds on deposit in the Collateral Account on account of the principal of and/or interest on any of the Obligations, the order and method of such application to be in the discretion of the Bank and any part of such funds which the Bank elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Bank to the applicable Grantor. If an Event of Default shall not be continuing, funds deposited in the Collateral Account from any particular Grantor shall be released immediately to such Grantor.

(b) The Bank may at any time notify Account Debtors that the Accounts have been assigned to the Bank and, upon an Event of Default, that payments shall be made directly to the Bank. Copies of such notification shall be delivered promptly to the Borrower by the Bank. Upon the request of the Bank at any time, each Grantor will so notify its Account Debtors. Further, the Bank from time to time in its sole discretion, may in its own name or in the name of others communicate with such Account Debtors in order to verify with them to the Bank's satisfaction the existence, amount and terms of any Accounts.

(c) The Bank shall have the right to make test verifications of the Accounts in any reasonable manner and through any medium it considers advisable no more than twice per year,

except in the event of an Event of Default hereunder, in which case the Bank's right to make test verifications of the Accounts shall not be limited in any respect. Each of the Grantors agrees to furnish all such assistance and information as the Bank may require in connection therewith. Each of the Grantors at its expense will cause independent public accountants reasonably satisfactory to the Bank to furnish promptly to the Bank from time to time according to the first sentence in this subparagraph (c), the following reports: (i) reconciliation of all Accounts, (ii) an aging of all Accounts, (iii) trial balances, and (iv) a test verification of such Accounts as the Bank may request.

Section 4. Representations and Warranties. Each Grantor hereby represents and warrants that:

(a) This Security Agreement constitutes a valid obligation of such Grantor, legally binding upon it and enforceable in accordance with its terms. No consent of any other party (including, without limitation, shareholders (or other Persons having an ownership interest in whatever form) and creditors of such Grantor) and no consent, license, approval or authorization of, or registration or declaration with, any Governmental Authority, except for (a) filings of UCC-1 and/or UCC-3 Financing Statements in the appropriate filing offices, (b) compliance with applicable certificate laws with respect to motor vehicles and (c) filing of this Security Agreement with the STB in accordance with applicable law, rules or regulations, is required in connection with the execution, delivery, performance, validity or enforceability of this Security Agreement with respect to Collateral in existence on the date hereof.

(b) Except for the security interest granted to the Bank pursuant to this Security Agreement, the Grantors are (or, in the case of after-acquired property, will be) the owners of the Collateral, having good and marketable title thereto, free and clear of any and all Liens except for Permitted Liens or Liens that do not have, or would not have under existing circumstances, a Material Adverse Effect.

(c) No security agreement, financing statement, or equivalent security or lien instrument covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed by the Grantor in favor of the Bank.

(d) This Security Agreement creates a valid and continuing Lien on the Collateral, and once (i) this Security Agreement is filed with the STB and (ii) all UCC Financing Statements referred to herein are filed in the proper UCC filing offices, this Security Agreement will evidence a perfected security interest in the Collateral in favor of the Bank in which a security interest can be perfected by the (i) recordation of this Security Agreement with the STB and (ii) filing of UCC Financing Statements, which Lien and security interest will be prior to all other Liens, encumbrances, security interests and rights of others (except for Permitted Liens or those Liens that do not have, or would not have under existing circumstances, a Material Adverse Effect) once this Security Agreement and such UCC Financing Statements referred to above are filed. The Lien of this Security Agreement is enforceable as such as against creditors of and purchasers from such Grantor. All action necessary or desirable to protect and perfect such security interest in each item of the Collateral has been duly taken, or, concurrently with the

execution and filing of this Security Agreement and applicable UCC Financing Statements, will be duly taken.

(e) The Grantors' principal places of business and chief executive offices and the places where their records concerning the Collateral are kept are described on Exhibit B attached hereto, and the Grantors will not change such principal places of business or remove such records without the express prior written consent of the Bank.

(f) The amount represented by any Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors in respect of the Accounts will at such time be, to the best of such Grantor's knowledge, the correct amount actually and unconditionally owing by such Account Debtors to such Grantor thereunder.

(g) The only names under which the Collateral is owned, used or sold are the names of the Grantors as described in Exhibit C to this Security Agreement.

(h) Each Exhibit or Schedule hereto contains true and complete information with respect to the subject matter covered thereby.

(i) Each of the Grantors except Knoxville Locomotive, Railcar and Airways is a "transmitting utility" as defined in Article 9 of the Uniform Commercial Code as adopted in each state in which it operates (except for those Grantors operating in the state of North Carolina).

Section 5. Covenants. The Grantors covenant and agree with the Bank that from and after the date of this Security Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. From time to time, upon the reasonable written request of the Bank, and at the sole expense of the Grantors, the Grantors will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Bank may reasonably deem desirable in obtaining the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens and security interests granted hereby, conveying the Grantors' interests in the Collateral to the Bank and using their best efforts to obtain waivers from landlords and mortgagees. The Grantors also hereby authorize the Bank to file any such financing statement without the signature of such Grantors to the extent permitted by applicable law.

(b) Maintenance of Records. The Grantors will keep and maintain at their own cost and expense satisfactory and complete records of the Collateral including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. The Grantors will mark their books and records pertaining to the Collateral to evidence this Security Agreement and the security interests granted hereby. For the Bank's further security, the Grantors agree that the Bank shall have a special property interest in all of such Grantors' books and records pertaining to the Collateral, and the Grantors shall make

available to the Bank or its representatives such books and records at any time on reasonable demand of the Bank.

(c) Indemnification. In any suit, proceedings or action brought by the Bank relating to the Collateral, the Grantors will jointly and severally save, indemnify and keep the Bank harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the obligor thereunder, arising out of a breach by any Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligor or its successors from any Grantor, and all such obligations of any Grantor shall be and remain enforceable against and only against such Grantor(s) and shall not be enforceable against the Bank.

(d) Compliance with Laws, etc. The Grantors will comply, in all material respects, with all acts, rules, regulations, orders, decrees and directions of any Governmental Authority or any court applicable to the Collateral or any part thereof or to the operation of the Grantors' businesses.

(e) Payment of Obligations. The Grantors will pay promptly when due, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of the income or profits therefrom, as well as all claims of any kind (including claims for labor, materials and supplies), except that no such charge need be paid if (i) the validity thereof is being contested in good faith (ii) such proceedings or negotiations do not involve any danger of the sale, forfeiture or loss of any of the Collateral or any interest therein and (iii) such charge is adequately reserved against on the books of such Grantor(s) in accordance with Generally Accepted Accounting Principles.

(f) Limitation on Liens on Collateral. Except as may otherwise be provided in the Credit Agreement, the Grantors will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral except Permitted Liens and will defend the right, title and interest of the Bank in and to any of the Grantors' rights to the Collateral and in and to the Proceeds and products thereof against the claims and demands of all Persons whomsoever.

(g) Limitations on Modifications of Material Contracts, Licenses, Accounts; No Waivers; Extensions. Except as may otherwise be provided in the Credit Agreement and except as in the ordinary course of business, the Grantors will not (i) amend, modify, terminate or waive any provision of any material Contract or license in any manner which might materially adversely affect the value of such Contract or license as Collateral, (ii) fail to exercise promptly and diligently each and every material right which it may have under each material Contract and license (other than any right of termination) or (iii) fail to deliver to the Bank a copy of each material demand, notice or document received by it relating in any way to any material Contract or license. Except as may otherwise be provided in the Credit Agreement, the Grantors will not, without the Bank's prior written consent, grant any material extension of the time of payment of any of the Accounts or any amounts due under any material Contract or license, compromise,

compound or settle the same for substantially less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon other than trade or other customary discounts granted in the normal course of business.

(h) Maintenance of Insurance. The Grantors will maintain with financially sound and reputable companies, insurance policies (i) insuring the Personal Property of the Grantors (excepting rolling stock, locomotives, boxcars, hopper cars or other railcars which, the Grantors hereby covenant to self-insure in amounts reasonable and customary in the railroad industry) against loss by fire, explosion, theft and such other casualties as are usually insured against by companies engaged in the same or similar businesses and (ii) insuring the Grantors against liability for personal injury and property damage relating to the use, operation or maintenance of such Personal Property of the Grantors, such policies to be in such form and in such amounts and coverage as may be reasonably satisfactory to the Bank, with losses payable to the Grantors and the Bank as their respective interests may appear. The Grantors shall, if so requested by the Bank, deliver to the Bank as often as the Bank may reasonably request a report of a reputable insurance broker with respect to the insurance on the Personal Property. All insurance with respect to the Personal Property shall (i) provide that no cancellation, reduction in amount or change in coverage thereof shall be effective until at least 10 days after receipt by the Bank of written notice thereof, and (ii) be reasonably satisfactory in all material respects to the Bank.

(i) Limitations on Dispositions of Collateral. The Grantors will not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except to the extent, if any, permitted by the terms of the Credit Agreement.

(j) Further Identification of Collateral. The Grantors will furnish to the Bank from time to time all such statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Bank may reasonably request pursuant to the terms of the Credit Agreement and this Security Agreement, and all in reasonable detail.

(k) Notices. Except as may otherwise be provided in the Credit Agreement, the Grantors will advise the Bank promptly, in reasonable detail, (i) of any Lien asserted or claim made against any of the Collateral securing Indebtedness in excess of \$50,000, (ii) of any material change in the composition of the Collateral, and (iii) of the occurrence of any other event which would have a Material Adverse Effect.

(l) Right of Inspection. Upon prior notice to the Grantors, the Bank shall at all times have full and free access during normal business hours to all the books, correspondence and records of the Grantors, and the Bank or its representatives may examine the same, take extracts therefrom and make photographs or photocopies thereof, and the Grantors agree to render to the Bank, at the Grantors' cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto without hindrance or delay. The Bank and its representatives shall at all times also have the right to enter into and upon any premises where any of the Personal Property is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein without hindrance or delay.

(m) Maintenance of Personal Property and Premises. The Grantors will keep and maintain each item of Personal Property and the premises of Grantors in good operating condition, ordinary wear and tear excepted, and the Grantors will provide all maintenance and service and all repairs necessary for such purpose.

(n) Continuous Perfection. The Grantors will not change their respective names, identities or corporate structures in any manner which might make any financing statement filed hereunder, or previously filed in favor of the Bank, seriously misleading within the meaning of Section 9-402(7) of the Code (or any other then applicable provision of the Code) unless the applicable Grantor shall have given the Bank at least 60 days' prior written notice thereof or shall have delivered to the Bank acknowledgment copies of UCC-3 financing statements (and any other security document amendments) duly executed and duly filed in each jurisdiction in which UCC-1 filings (or such other security document filings) were and are required in order to perfect the security interest and lien granted by this Security Agreement in the Collateral and shall have taken all action (or made arrangements to take such action substantially simultaneously with such change if it is impossible to take such action in advance) necessary or reasonably requested by the Bank to amend such financing statement so that it is not seriously misleading.

Section 6. Bank's Appointment as Attorney-in-Fact.

(a) The Grantors hereby irrevocably constitute and appoint the Bank and any officer or agent thereof, with full power of substitution, as their true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of each Grantor and in the name of each Grantor or in the Bank's own name, from time to time in the Bank's discretion, for the purpose of carrying out the terms of this Security Agreement, including, but not limited to, (i) furnishing documents or information about the Revolving Credit Facility or the Collateral to any potential purchaser of the Revolving Credit Facility or the Collateral (such authorization provided by the Grantors for the purposes of complying with Tenn. Code Ann. § 45-10-103, and all amendments thereof), and (ii) taking any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, provided, however, that this right will become effective only upon the occurrence of an Event of Default. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) The powers conferred on the Bank hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Bank shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Grantors for any act or failure to act, except for the Bank's own gross negligence, willful misconduct or unlawful acts.

Section 7. Performance by Bank of Grantors' Obligations. If the Grantors fail to perform or comply with any of their agreements contained herein or in any other Loan Document and the Bank, as provided for by the terms of this Security Agreement or such other Loan Document, shall itself perform or comply, or otherwise cause performance or compliance, with such

agreement, the expenses of the Bank incurred in connection with such performance or compliance, together with interest thereon at the highest rate provided for in respect of the Revolving Credit Facility made under the Credit Agreement, shall be payable by the Grantors to the Bank on demand and shall constitute Obligations secured hereby.

Section 8. Events of Default. Each of the following shall constitute an "Event of Default" under this Security Agreement:

- (a) Failure of the Borrower to pay any Obligation to the Bank when the same shall become due and payable, whether at maturity, as a result of the Bank's demand for payment or otherwise, and the expiration of all grace periods with respect thereto; or
- (b) Failure of any Grantor to perform or observe any covenant set forth herein and ten (10) days shall have elapsed after the Bank has provided written notice to such Grantor or the Borrower of such default, provided, however, that this requirement of notice and cure provided herein shall not apply to any of the covenants set forth in Section 5(f)(g)(i)(l) and (n) hereof; or
- (c) Discovery by the Bank that any representation or warranty made by any Grantor herein, or any statement or representation made in any certificate, report or opinion delivered pursuant hereto or in connection herewith was materially untrue or is breached in any material respect; or
- (d) The occurrence of an Event of Default, under or with respect to the Credit Agreement, the Revolving Credit Note, or any other Loan Document or other agreement, document or instrument executed in connection with any existing or future Obligations, and the expiration of all applicable grace or cure periods with respect thereto.

Section 9. Remedies; Rights Upon Default.

- (a) If an Event of Default shall occur and be continuing:
  - (i) All payments received by any Grantor under or in connection with any of the Collateral shall be held by such Grantor in trust for the Bank, shall be segregated from other funds of such Grantor and shall forthwith upon receipt by such Grantor, be turned over to the Bank, in the same form as received by such Grantor (duly indorsed by such Grantor to the Bank, if required); and
  - (ii) Any and all such payments so received by the Bank (whether from any Grantor or otherwise) may, in the sole discretion of the Bank, be held by the Bank as collateral security for, and/or then or at any time thereafter applied in whole or in part by the Bank, against all or any part of the Obligations (including, without limitation, the Revolving Credit Note) in such order as the Bank shall elect. Any balance of such payments held by the Bank and remaining after payment in full of all the Obligations shall be paid over to such Grantor or to whomsoever may be lawfully entitled to receive the same.

(b) The Bank may exercise in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code.

(c) The Grantors hereby authorize the Bank to take whatever marketing activities are deemed reasonable by the Bank to market and sell the Collateral and agree to cooperate with the Bank or its representative in such marketing and sale efforts, including but not limited to entering into a marketing, sale or lease agreement for the marketing, sale or lease of the Collateral satisfactory to the Bank in its sole judgment.

(d) The Grantors also agree to pay all costs of the Bank, including reasonable attorneys' fees incurred with respect to the collection of any of the Obligations and the enforcement of any of its rights hereunder.

(e) The Grantors hereby waive presentment, demand, protest or any notice (to the extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral, except as otherwise provided herein or in the Credit Agreement.

(f) The Bank shall give the Grantors ten (10) days prior written notice of (i) any public sale of any Collateral and (ii) the date after which any private sale of any Collateral may be made, except as otherwise required by applicable law.

Section 10. Limitation on Bank's Duty in Respect of Collateral. Beyond the safe custody thereof, the Bank shall not have any duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of it or any income thereon or as to the preservation of rights against prior or other parties or any other rights pertaining thereto.

Section 11. Notices. All notices hereunder to any party hereto shall be delivered in the manner and according to the terms set forth in the Credit Agreement.

Section 12. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 13. No Waiver; Cumulative Remedies; Amendments. The Bank and each Grantor shall not by any act, delay, omission or otherwise be deemed to have waived any of its or their rights or remedies hereunder and no waiver shall be valid unless in writing, signed by the parties to be charged, and then only to the extent therein set forth. A waiver by the Bank or any Grantor of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such party would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Bank or any Grantor, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of Bank hereunder

provided are cumulative and may be exercised by Bank singly or concurrently, and are not exclusive of any rights and remedies provided by law. None of the provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by the parties hereto.

Section 14. Successors and Assigns; Governing Law. This Security Agreement and all obligations of the Grantors hereunder shall be binding upon the successors and assigns of the Grantors and inure to the benefit of the Bank and its successors and assigns. This Security Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of the State of Tennessee except as may otherwise be required by applicable federal law.

Section 15. Counterparts. This Security Agreement may be signed in any number of counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

Section 16. ARBITRATION.

(a) GENERAL PROVISION. ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, THE CREDIT AGREEMENT, THE REVOLVING CREDIT NOTE OR ANY OTHER LOAN DOCUMENT OR ANY OTHER INSTRUMENT, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF J.A.M.S./ENDISPUTE ("J.A.M.S.") AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS SECURITY AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS SECURITY AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

(b) SPECIAL RULES. THE ARBITRATION SHALL BE CONDUCTED IN KNOXVILLE, TENNESSEE, THE CITY OF THE BORROWER'S DOMICILE AT THE TIME OF THIS SECURITY AGREEMENT'S EXECUTION, AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR. IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION. FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR AN ADDITIONAL 60 DAYS.

(c) RESERVATION OF RIGHTS. NOTHING IN THIS SECURITY AGREEMENT, THE CREDIT AGREEMENT, THE REVOLVING CREDIT NOTE OR ANY LOAN DOCUMENT SHALL BE DEEMED TO (i) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVER CONTAINED IN THIS SECURITY AGREEMENT, THE CREDIT AGREEMENT, THE REVOLVING CREDIT NOTE OR ANY LOAN DOCUMENT OR (ii) BE A WAIVER BY THE BANK OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. §91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW, OR (iii) LIMIT THE RIGHT OF THE BANK HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSURE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER. THE BANK MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSURE UPON SUCH PROPERTY, OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS SECURITY AGREEMENT, THE CREDIT AGREEMENT, THE REVOLVING CREDIT NOTE OR ANY LOAN DOCUMENT. NEITHER THE EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES.

Section 17. FINAL AGREEMENT. THIS SECURITY AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE BANK AND THE GRANTORS.

Section 18. Conflicting Terms. If any term or provision of this Security Agreement conflicts with any term or provision of the Credit Agreement, such term or provision of the Credit Agreement shall take precedence and be deemed to apply, except as such term or provision of the Credit Agreement may be limited by applicable law, in which case the terms and provisions of this Security Agreement in such instance shall be deemed to apply.

Section 19. Amendment, Restatement and Consolidation. This Security Agreement amends, restates and consolidates (i) the Amended, Restated and Consolidated Security Agreement dated as of July 31, 1998 (the "Prior Security Agreement") and (ii) any and all other Security Agreements executed by any or all Grantors in favor of the Bank prior to the Prior Security Agreement.

IN WITNESS WHEREOF, the Grantors and the Bank have caused this Security Agreement to be executed by their duly authorized officers as of the date first set forth above.

**GRANTORS:**

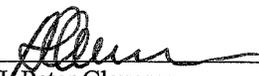
GULF & OHIO RAILWAYS HOLDING CO.,  
INC.

By:   
H. Peter Claussen  
Title: President

GULF & OHIO RAILWAYS, INC.

By:   
H. Peter Claussen  
Title: Chief Executive Officer

WIREGRASS CENTRAL RAILROAD  
COMPANY, INC.

By:   
H. Peter Claussen  
Title: Chief Executive Officer

PIEDMONT & ATLANTIC RAILROAD  
CO., INC.

By:   
H. Peter Claussen  
Title: Chief Executive Officer

ROCKY MOUNT & WESTERN RAILROAD  
CO., INC.

By:   
H. Peter Claussen  
Title: Chief Executive Officer

LEXINGTON & OHIO RAILROAD CO.,  
INC.

By:   
H. Peter Claussen  
Title: Chief Executive Officer

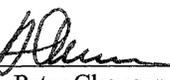
KNOXVILLE & HOLSTON RIVER RAILROAD  
CO., INC.

By:   
Name: H. Peter Claussen  
Title: Chief Executive Officer

KNOXVILLE LOCOMOTIVE WORKS, INC.

By:   
Name: H. Peter Claussen  
Title: Chief Executive Officer

TENNESSEE RAILCAR SERVICES, INC.

By:   
Name: H. Peter Claussen  
Title: Chief Executive Officer

LAURINBURG & SOUTHERN RAILROAD CO.,  
INC.

By:   
Name: H. Peter Claussen  
Title: Chief Executive Officer

GULF & OHIO AIRWAYS, INC.

By:   
Name: H. Peter Claussen  
Title: Chief Executive Officer

**BANK:**

BANK OF AMERICA, N.A. (successor by merger  
to NationsBank of Tennessee, N.A.)

By:   
Name: C. Howard Capito  
Title: Senior Vice President

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is President of Gulf & Ohio Railways Holding Co., Inc., a Tennessee corporation, 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.



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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Gulf & Ohio Railways, Inc., a Tennessee corporation, 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.



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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

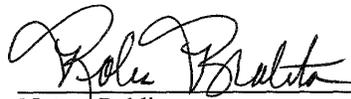
On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Wiregrass Central Railroad Company, Inc., an Alabama corporation, that the seal affixed to the foregoing instrument is the 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Piedmont & Atlantic Railroad Co., Inc., a Tennessee corporation, 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Rocky Mount & Western Railroad Co., Inc., a Tennessee corporation, 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.



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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Lexington & Ohio Railroad Co., Inc., a Tennessee corporation, 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.



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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Knoxville & Holston River Railroad Co., Inc., a Tennessee corporation, 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Knoxville Locomotive Works, Inc., a Tennessee corporation, 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Laurinburg & Southern Railroad Co., Inc., a Tennessee corporation, 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

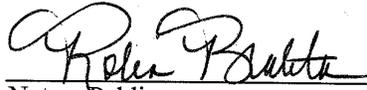
On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Tennessee Railcar Services, Inc., a Tennessee corporation, that the seal affixed to the foregoing instrument is the corporate 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared H. Peter Claussen, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of Gulf & Ohio Airways, Inc., a Tennessee corporation, 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.

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

My Commission Expires: 5-6-2001

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 25th day of February, 2000 before me personally appeared C. Howard Capito, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of Bank of America, N.A., a national banking association organized under the laws of the United States, and that he as such Senior Vice President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the Bank by himself as such Senior Vice President.

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

My Commission Expires: 5-6-2001

GULF & OHIO RAILWAYS CO., INC.  
ville, Tennessee

Locomotive Roster & Collateral Report

12/29/1999 12/31/1997

Item #	Owner	Road ID	Road No.	Serial #	Model	Acquisition Data		Cost	Valuation Data			Operational Status
						Date			FMV	Source	Date	
1	HSRR	HSRR	110		GP-7-R	07/01/1992		68,000	RLB		Dec-93	
2	HSRR	HSRR	119		SW-1			40,000	RLB		Dec-93	
3	YVRR	YVRR	201	17048	GP-7	03/09/1994		125,000	RLB		Dec-93	
4	YVRR	YVRR	202	17039	GP-7	03/09/1994		125,000	RLB		Dec-93	
5	YVRR	YVRR	203	18051	GP-7	03/09/1994		125,000	RLB		Dec-93	
6	YVRR	YVRR	204	22930	GP-9	03/09/1994		125,000	RLB		Dec-93	
7	YVRR	YVRR	205	20344	GP-9	03/09/1994		125,000	RLB		Dec-93	
8	YVRR	YVRR	206	22781	GP-9	03/09/1994		125,000	RLB		Dec-93	
9	YVRR	YVRR	207	24825	GP-9	03/09/1994		125,000	RLB		Dec-93	
10	YVRR	YVRR	208	24848	GP-9	03/09/1994		125,000	RLB		Dec-93	
11	GORR	AGLF	345		GP-38	03/20/1997		139,000	RLB		Dec-95	
12	GFRR	LXOH	1007		SW-1	03/12/1996		30,100	RLB		Dec-93	
13	GFRR	GFRR	1012		SW-1	03/12/1996		27,500	PC		Dec-93	
14	WGCR	WGCR	1026		GP-7	08/30/1990		12,244	RLB		Dec-93	
15	WGCR	WGCR	1051		SW-9	07/01/1992		23,000	PC SV			
16	AGLF	AGLF	2313		SW1500	05/19/1997		180,000	PC			
17	AGLF	AGLF	2318		SW1500	05/19/1997		180,000	PC			
18	YVRR	YVRR	2391		GP-9	12/01/1985		8,000	RLB		Dec-93	
19	WGCR	WGCR	2876		GP-9	03/25/1988		20,000	RLB		Dec-93	
20	GFRR	GFRR	2881	78952	GP-38	07/01/1995		70,000	RLB		Jun-95	
21	GFRR	GFRR	2882	79251	GP-38	07/01/1995		70,000	RLB		Jun-95	
22	GFRR	GFRR	2883	79252	GP-38	07/01/1995		70,000	RLB		Jun-95	
23	GFRR	GFRR	2886	79373	GP-38	07/01/1995		70,000	RLB		Jun-95	
24	WGCR	WGCR	3832		GP-9-R	03/25/1988		20,000	RLB		Dec-93	
25	WGCR	WGCR	3872		GP-9-R	03/25/1988		20,000	RLB		Dec-93	
26	WGCR	WGCR	6226		GP-9	04/05/1988		20,000	RLB		Dec-93	
27	LXOH	LXOH	7738	18410	GP-8	03/27/1989		67,000	RLB		Dec-93	
28	RMWR	RMWR	7913	18419	GP-8	02/29/1992		34,000	RLB		Dec-93	
29	GFRR	GFRR	8006	20794	GP-10	04/14/1995		45,000	RLB		Apr-95	
30	MSDR	MSDR	8047	19382	GP-10	01/01/1986		35,000	RLB		Dec-93	

Exhibit A

Bank of America

Item #	Present G&O ID		Road ID		Road No.	Serial #	Model	Acquisition Data		Valuation Data		Date	Operational Status
	Owner	Model	Model	Model				Date	Cost	FMV	Source		
31	GFRR	GFRR	GFRR	GFRR	8050	25026	GP-10	04/14/1995	45,000	85,000	RLB	Apr-95	
32	WGCR	WGCR	WGCR	WGCR	8056	19898	GP-10	02/18/1992	33,000	72,000	RLB	Dec-93	
33	GFRR	GFRR	GFRR	GFRR	8067	22328	GP-10	04/14/1995	45,000	85,000	RLB	Apr-95	
34	MSDR	MSDR	MSDR	MSDR	8068	20147	GP-10	01/01/1986	35,000	68,000	RLB	Dec-93	
35	AGLF	AGLF	AGLF	AGLF	8090	20757	GP-10	01/01/1992	71,762	74,000	RLB	Dec-93	
36	GFRR	GFRR	GFRR	GFRR	8092	20283	GP-10	10/30/1995	23,500	85,000	RLB	Apr-95	
37	H&S	H&S	H&S	H&S	8104	20283	GP-10	01/01/1992	71,763	74,000	RLB	Dec-93	
38	RMWR	RMWR	RMWR	RMWR	8136	23858	GP-10	04/14/1995	49,500	85,000	RLB	Apr-95	
39	GFRR	GFRR	GFRR	GFRR	8220	22336	GP-10	10/30/1995	23,500	85,000	RLB	Apr-95	
40	AGLF	AGLF	AGLF	AGLF	8265	19764	GP-10	08/01/1994	43,000	85,000	RLB	Apr-95	
41	GFRR	GFRR	GFRR	GFRR	8274	19213	GP-10	04/14/1995	55,845	85,000	RLB	Apr-95	
42	GFRR	GFRR	GFRR	GFRR	8302	19213	GP-10	08/01/1994	43,000	85,000	RLB	Apr-95	
43	GFRR	GFRR	GFRR	GFRR	8309	19231	GP-10	01/16/1996	95,000	85,000	PC	Apr-95	
44	AGLF	AGLF	AGLF	AGLF	8311	19264	GP-10	05/04/1993	47,500	74,000	RLB	Dec-93	
45	AGLF	AGLF	AGLF	AGLF	8314	19264	GP-10	05/04/1993	47,500	74,000	RLB	Dec-93	
46	GFRR	GFRR	GFRR	GFRR	8330	23855	GP-10	04/14/1995	53,499	74,000	RLB	Jun-95	
47	RMWR	RMWR	RMWR	RMWR	8331	20840	GP-10	09/01/1994	49,345	85,000	RLB	Apr-95	
48	AGLF	AGLF	AGLF	AGLF	8395	20840	GP-10	06/25/1993	40,000	68,000	RLB	Dec-93	
49	GFRR	GFRR	GFRR	GFRR	8396	15851	GP-8	01/16/1996	95,000	85,000	PC	Dec-93	
50	WGCR	WGCR	WGCR	WGCR	8420	12/10/1990	GP-7-R	12/10/1990	50,000	66,000	RLB	Dec-93	
51	AGLF	AGLF	AGLF	AGLF	8421	SW1500	SW1500	12/31/1990	62,000	68,000	RLB	Dec-93	
52	AGLF	AGLF	AGLF	AGLF	9525	SW1500	SW1500	05/06/1997	162,500	205,000	PC		
53	AGLF	AGLF	AGLF	AGLF	9528	SW1500	SW1500	05/19/1997	162,500	205,000	PC		
54	AGLF	AGLF	AGLF	AGLF	9573	STEAM	STEAM	05/06/1997	162,500	205,000	PC		
55	RMWR	RMWR	LXOH	LXOH	203			09/01/1995	70,000	100,000	PC		
56	GFRR	GFRR	GFRR	GFRR	8174	GP-10	GP-10	01/15/1996	95,000	85,000	PC		
TOTALS									0	2,870,714	3,722,000		

Attest:

Date:

Gulf & Ohio Railways Co., Inc.  
Knoxville, TN

Bank of America

01/27/2000

Revenue Equipment Roster & Collateral Report

Item #	Owner	Road ID	Road No.	ID	Prior Markings		AAR	Acquisition Data		Valuation Data		Operational Status
					Road No.	Car Type		Date	Cost	FMV	Source	
1	MSDR	4001						02/23/1994	21,442	21000.00	JH	12/31/1999
2	MSDR	4009						02/23/1994	21,442	21000.00	JH	
3	MSDR	4010						02/23/1994	21,442	21000.00	JH	
4	MSDR	4016						02/23/1994	21,442	21000.00	JH	
5	MSDR	4019						02/23/1994	21,442	21000.00	JH	
6	MSDR	4020						02/23/1994	21,442	21000.00	JH	
7	MSDR	4079						02/23/1994	21,442	21000.00	JH	
8	MSDR	4093						02/23/1994	21,442	21000.00	JH	
9	SRN	4005						02/23/1994	21,442	21000.00	JH	
10	SRN	4008						02/23/1994	21,442	21000.00	JH	
11	SRN	4012						02/23/1994	21,442	21000.00	JH	
12	SRN	4015						02/23/1994	21,442	21000.00	JH	
13	SRN	4022						02/23/1994	21,442	21000.00	JH	
14	SRN	4029						02/23/1994	21,442	21000.00	JH	
15	SRN	4040						02/23/1994	21,442	21000.00	JH	
16	SRN	4043						02/23/1994	21,442	21000.00	JH	
17	SRN	4047						02/23/1994	21,442	21000.00	JH	
18	SRN	4048						02/23/1994	21,442	21000.00	JH	
19	SRN	4049						02/23/1994	21,442	21000.00	JH	
20	SRN	4050						02/23/1994	21,442	21000.00	JH	
21	SRN	4051						02/23/1994	21,442	21000.00	JH	
22	SRN	4063						02/23/1994	21,442	21000.00	JH	
23	SRN	4064						02/23/1994	21,442	21000.00	JH	
24	SRN	4066						02/23/1994	21,442	21000.00	JH	
25	SRN	4068						02/23/1994	21,442	21000.00	JH	

Bank of America

Item #	Owner	Road ID	Road No.	Road ID	Prior Markings		AAR	Acquisition Data		Valuation Data		Operational Status
					Road No.	Road		Date	Cost	FMV	Source	
15	SRN	4071	LRS	4071	4071	02/23/1994	21,442	21,000.00	JH	12/31/1999		
17	SRN	4072	LRS	4072	4072	02/23/1994	21,442	21,000.00	JH			
18	SRN	4076	LRS	4076	4076	02/23/1994	21,442	21,000.00	JH			
19	SRN	4078	LRS	4078	4078	02/23/1994	21,442	21,000.00	JH			
20	SRN	4087	LRS	4087	4087	02/23/1994	21,442	21,000.00	JH			
21	SRN	4090	LRS	4090	4090	02/23/1994	21,442	21,000.00	JH			
22	SRN	4091	LRS	4091	4091	02/23/1994	21,442	21,000.00	JH			
3	SRN	4100	LRS	4100	4100	02/23/1994	21,442	21,000.00	JH			
4	MSDR	1100	INPR	INPR	1275	07/01/1993	1,604	14,000.00	JH			
5	MSDR	1101	GNEL	GNEL	1273	07/01/1993	1,604	14,000.00	JH			
6	MSDR	1102	INPR	INPR	1328	07/01/1993	1,604	14,000.00	JH			
7	MSDR	1104	GNEL	GNEL	1278	07/01/1993	1,604	14,000.00	JH			
8	MSDR	1105	GNEL	GNEL	1345	07/01/1993	1,604	14,000.00	JH			
9	MSDR	1107	GNEL	GNEL	1279	07/01/1993	1,604	14,000.00	JH			
0	MSDR	1108	INPR	INPR	1332	07/01/1993	1,604	14,000.00	JH			
1	MSDR	1109	GNEL	GNEL	1277	07/01/1993	1,604	14,000.00	JH			
2	MSDR	1110	GNEL	GNEL	1306	07/01/1993	1,604	14,000.00	JH			
3	MSDR	1111	GNEL	GNEL	1270	07/01/1993	1,604	14,000.00	JH			
4	MSDR	1112	GNEL	GNEL	1346	07/01/1993	1,604	14,000.00	JH			
5	MSDR	1113	GNEL	GNEL	1288	07/01/1993	1,604	14,000.00	JH			
6	MSDR	1152	GNEL	GNEL	1202L	07/01/1993	1,604	14,000.00	JH			
7	MSDR	1153	GNEL	GNEL	12309	07/01/1993	1,604	14,000.00	JH			
8	MSDR	1154	GNEL	GNEL	12178	07/01/1993	1,604	14,000.00	JH			
9	MSDR	1155	GNEL	GNEL	11099	07/01/1993	1,604	14,000.00	JH			
0	MSDR	2700				07/01/1993	1,604	15,000.00	JH			
1	MSDR	2706				07/01/1993	1,604	15,000.00	JH			
2	MSDR	2708				07/01/1993	1,604	15,000.00	JH			

Bank of America

Present G&O ID	Road ID	Road No.	Road ID	Prior Markings Road No.	AAR Car Type	Acquisition Date	Cost	Valuation Date	FMV	Source	Date	Operational Status
MSDR	2709					07/01/1998	1,604		15000.00	JH		12/31/1999
MSDR	12076					03/01/1986	1,600		12000.00	JH		
MSDR	12244					03/01/1986	1,600		12000.00	JH		
MSDR	12360					03/01/1986	1,600		12000.00	JH		
MSDR	12384					03/01/1986	1,600		12000.00	JH		
MSDR	560000					03/01/1986	1,600		12000.00	JH		
MSDR	560145					03/01/1986	1,600		12000.00	JH		
MSDR	560934					03/01/1986	1,600		12000.00	JH		
MSDR	560511					03/01/1986	1,600		12000.00	JH		
MSDR	560714					03/01/1986	1,600		12000.00	JH		
MSDR	560733					03/01/1986	1,600		12000.00	JH		
MSDR	562354					03/01/1986	1,600		12000.00	JH		
MSDR	562598					03/01/1986	1,600		12000.00	JH		
MSDR	562918					03/01/1986	1,600		12000.00	JH		
LRS	7221					07/31/1998	10,548		15000.00	JH		
LRS	7222					07/31/1998	10,548		15000.00	JH		
LRS	7224					07/31/1998	10,548		15000.00	JH		
LRS	7225					07/31/1998	10,548		15000.00	JH		
LRS	7226					07/31/1998	10,548		15000.00	JH		
LRS	7227					07/31/1998	10,548		15000.00	JH		
LRS	7229					07/31/1998	10,548		15000.00	JH		
LRS	7230					07/31/1998	10,548		15000.00	JH		
LRS	7232					07/31/1998	10,548		15000.00	JH		
LRS	7234					07/31/1998	10,548		15000.00	JH		
LRS	7235					07/31/1998	10,548		15000.00	JH		
LRS	7238					07/31/1998	10,548		15000.00	JH		
LRS	7240					07/31/1998	10,548		15000.00	JH		

Bank of America

Item #	Owner	Road ID	Road No.	Road ID	Prior Markings		AAR	Acquisition Data		Valuation Data		Operational Status
					Road No.	Date		Cost	FMV	Source	Date	
10	LRS		7241					07/31/1998	10,548	15000.00	JH	12/31/1999
11	LRS		7242					07/31/1998	10,548	15000.00	JH	
12	LRS		7244					07/31/1998	10,548	15000.00	JH	
13	LRS		7245					07/31/1998	10,548	15000.00	JH	
14	LRS		7246					07/31/1998	10,548	15000.00	JH	
15	LRS		7247					07/31/1998	10,548	15000.00	JH	
16	LRS		7248					07/31/1998	10,548	15000.00	JH	
17	LRS		7249					07/31/1998	10,548	15000.00	JH	
18	LRS		7250					07/31/1998	10,548	15000.00	JH	
19	LRS		7251					07/31/1998	10,548	15000.00	JH	
20	LRS		7252					07/31/1998	10,548	15000.00	JH	
1	LRS		7254					07/31/1998	10,548	15000.00	JH	
2	LRS		7255					07/31/1998	10,548	15000.00	JH	
3	LRS		7257					07/31/1998	10,548	15000.00	JH	
4	LRS		7260					07/31/1998	10,548	15000.00	JH	
5	LRS		7261					07/31/1998	10,548	15000.00	JH	
6	LRS		7262					07/31/1998	10,548	15000.00	JH	
7	LRS		7263					07/31/1998	10,548	15000.00	JH	
8	LRS		7264					07/31/1998	10,548	15000.00	JH	
9	LRS		7266					07/31/1998	10,548	15000.00	JH	
00	LRS		7268					07/31/1998	10,548	15000.00	JH	
01	LRS		7269					07/31/1998	10,548	15000.00	JH	
02	LXOH		2701	MSDR		2701		07/01/1993	1,604	15000.00	JH	
03	LXOH		2703	MSDR		2703		07/01/1993	1,604	15000.00	JH	
04	LXOH		2704	MSDR		2704		07/01/1993	1,604	15000.00	JH	
05	LXOH		2705	MSDR		2705		07/01/1993	1,604	15000.00	JH	
06	LXOH		2707	MSDR		2707		07/01/1993	1,604	15000.00	JH	

Bank of America

Bm #	Owner	Present G&O ID		Road		Prior Markings		AAR	Acquisition Data		Valuation Data		Source	Date	Operational Status
		Road ID	Road No.	ID	ID	Road No.	Road No.		Date	Cost	FMV	Source			
77		LXOH	4044	MSDR	4044				07/01/1993	1,604	21000.00		JH		12/31/1993
78		LXOH	7201	LRS	7201				02/23/1994	21,442	15000.00		JH		
79		LXOH	7202	LRS	7202				02/23/1994	21,442	15000.00		JH		
10		LXOH	7204	LRS	7204				02/23/1994	21,442	15000.00		JH		
11		LXOH	7207	LRS	7207				02/23/1994	21,442	15000.00		JH		
12		LXOH	7228	LRS	7228				02/23/1994	21,442	15000.00		JH		
13		LXOH	7231	LRS	7231				02/23/1994	21,442	15000.00		JH		
14		LXOH	7233	LRS	7233				02/23/1994	21,442	15000.00		JH		
15		LXOH	7236	LRS	7236				02/23/1994	21,442	15000.00		JH		
16		LXOH	7237	LRS	7237				02/23/1994	21,442	15000.00		JH		
17		LXOH	7243	LRS	7243				02/23/1994	21,442	15000.00		JH		
18		LXOH	7253	LRS	7253				02/23/1994	21,442	15000.00		JH		
19		LXOH	7266	LRS	7266				02/23/1994	21,442	15000.00		JH		
20		LXOH	7267	LRS	7267				02/23/1994	21,442	15000.00		JH		
21		LXOH	1103	MSDR	1103				07/01/1993	1,604	14000.00		JH		
22		LXOH	1106	MSDR	1106				07/01/1993	1,604	14000.00		JH		
23		LXOH	1151	MSDR	1151				07/01/1993	1,604	14000.00		JH		
24		LXOH	1156	MSDR	1156				07/01/1993	1,604	14000.00		JH		
25		LXOH	6003	GNRR	6003				05/03/1999	34,789	23000.00		JH		
26		LXOH	6004	GNRR	6004				05/03/1999	34,789	23000.00		JH		
27		LXOH	5013	GNRR	5013				05/03/1999	34,789	23000.00		JH		
28		LXOH	5020	GNRR	5020				05/03/1999	34,789	23000.00		JH		
29		LXOH	5034	GNRR	5034				05/03/1999	34,789	23000.00		JH		
30		LXOH	5039	GNRR	5039				05/03/1999	34,789	23000.00		JH		
31		LXOH	5045	GNRR	5045				05/03/1999	34,789	23000.00		JH		
32		LXOH	5060	GNRR	5060				05/03/1999	34,789	23000.00		JH		
33		LXOH	5071	GNRR	5071				01/01/1999	36,656	23000.00		JH		

Bank of America

em #	Owner	Road ID	Road No.	Road ID	Prior Markings		AAR	Acquisition Data		Valuation Data		Source	Date	Operational Status
					Road No.	Road		Date	Cost	FMY				
34	LXOH	5074	GNRR	5074	5074		05/03/1999	34,789	23000.00	JH			12/31/1999	
35	LXOH	5075	GNRR	5075	5075		01/01/1999	35,656	23000.00	JH				
36	LXOH	5079	GNRR	5079	5079		01/01/1999	35,656	23000.00	JH				
37	LXOH	5081	GNRR	5081	5081		05/03/1999	34,789	23000.00	JH				
38	LXOH	5086	GNRR	5086	5086		01/01/1999	35,656	23000.00	JH				
39	LXOH	5092	GNRR	5092	5092		01/01/1999	35,656	23000.00	JH				
40	LXOH	5100	GNRR	5100	5100		01/01/1999	35,656	23000.00	JH				
41	LXOH	5109	GNRR	5109	5109		01/01/1999	35,656	23000.00	JH				
42	LXOH	5110	GNRR	5110	5110		05/03/1999	34,789	23000.00	JH				
43	LXOH	5119	GNRR	5119	5119		01/01/1999	35,656	23000.00	JH				
44	LXOH	5121	GNRR	5121	5121		05/03/1999	34,789	23000.00	JH				
45	LXOH	5129	GNRR	5129	5129		05/03/1999	34,789	23000.00	JH				
46	LXOH	5130	GNRR	5130	5130		05/03/1999	34,789	23000.00	JH				
47	LXOH	5134	GNRR	5134	5134		05/03/1999	34,789	23000.00	JH				
48	LXOH	5146	GNRR	5146	5146		05/03/1999	34,789	23000.00	JH				
49	LXOH	5174	GNRR	5174	5174		05/03/1999	34,789	23000.00	JH				
50	LXOH	5176	GNRR	5176	5176		01/01/1999	35,656	23000.00	JH				
51	LXOH	5178	GNRR	5178	5178		05/03/1999	34,789	23000.00	JH				
52	LXOH	5200	GNRR	5200	5200		01/01/1999	35,656	23000.00	JH				
53	LXOH	5215	GNRR	5215	5215		01/01/1999	35,656	23000.00	JH				
54	LXOH	5218	GNRR	5218	5218		05/03/1999	34,789	23000.00	JH				
55	LXOH	210508					09/08/1999	8,000						
56	LXOH	210617					09/08/1999	8,000						
57	LXOH	210627					09/08/1999	8,000						
58	LXOH	210601					09/08/1999	8,000						
59	LXOH	210607					09/08/1999	8,000						
60	LXOH	210628					09/08/1999	8,000						

Bank of America

Item #	Owner	Present G&O ID----->		Road		Prior Markings		AAR	Acquisition Date	Cost	Valuation Data----->		Date	Operational Status	
		Road ID	Road No. ID	Road No.	Car Type	FMV	Source								
61		LXOH	210672						09/08/1999	8,000				12/31/1999	
62		LXOH	210661						09/08/1999	8,000					
63		LXOH	210684						09/08/1999	8,000					
64		LXOH	210697						09/08/1999	8,000					
65		LXOH	210732						09/08/1999	8,000					
66		LXOH	210778						09/08/1999	8,000					
67		LXOH	210785						09/08/1999	8,000					
68		LXOH	210790						09/08/1999	8,000					
69		LXOH	210829						09/08/1999	8,000					
70		LXOH	210847						09/08/1999	8,000					
71		MSDR	7203						07/01/1993	1,604					
72		MSDR	7205						07/01/1993	1,604					
73		MSDR	7206						07/01/1993	1,604					
74		MSDR	7208						07/01/1993	1,604					
75		MSDR	7209						07/01/1993	1,604					
76		MSDR	7210						07/01/1993	1,604					
77		MSDR	7211						07/01/1993	1,604					
78		MSDR	7212						07/01/1993	1,604					
79		MSDR	7213						07/01/1993	1,604					
										2695000.00					

GULF & OHIO RAILWAYS CO., INC.  
ville, Tennessee

Locomotive Roster & Collateral Report

12/29/1999 12/31/1997

Bank of America

Confidential

Item #	Present G&O ID		Road No.	Serial #	Model	Acquisition Data		Valuation Data			Date	Operational Status
	Owner	Road ID				Date	Cost	FMV	Source	Date		
1	HSRR	HSRR	110		GP-7-R	07/01/1992		68,000	RLB		Dec-93	
2	HSRR	HSRR	119		SW-1			40,000	RLB		Dec-93	
3	YVRR	YVRR	201	17048	GP-7	03/09/1994	125,000	68,000	RLB		Dec-93	
4	YVRR	YVRR	202	17039	GP-7	03/09/1994	125,000	68,000	RLB		Dec-93	
5	YVRR	YVRR	203	18051	GP-7	03/09/1994	125,000	66,000	RLB		Dec-93	
6	YVRR	YVRR	204	22930	GP-9	03/09/1994	125,000	60,000	RLB		Dec-93	
7	YVRR	YVRR	205	20344	GP-9	03/09/1994	125,000	72,000	RLB		Dec-93	
8	YVRR	YVRR	206	22781	GP-9	03/09/1994	125,000	70,000	RLB		Dec-93	
9	YVRR	YVRR	207	24825	GP-9	03/09/1994	125,000	70,000	RLB		Dec-93	
10	YVRR	YVRR	208	24848	GP-9	03/09/1994	125,000	68,000	RLB		Dec-93	
11	GORR	AGLF	345		GP-38	03/20/1997	139,000	130,000	RLB		Dec-95	
12	GFRR	LXOH	1007		SW-1	03/12/1996	30,100	40,000	RLB		Dec-93	
13	GFRR	GFRR	1012		SW-1	03/12/1996	27,500	40,000	RLB		Dec-93	
14	WGCR	WGCR	1026		GP-7	08/30/1990	12,244	8,000	PC SV		Dec-93	
15	WGCR	WGCR	1051		SW-9	07/01/1992	23,000	205,000	PC		Dec-93	
16	AGLF	AGLF	2313		SW1500	05/19/1997	180,000	205,000	PC		Dec-93	
17	AGLF	AGLF	2318		SW1500	05/19/1997	180,000	205,000	PC		Dec-93	
18	YVRR	YVRR	2391		GP-9	12/01/1985	8,000	72,000	RLB		Dec-93	
19	WGCR	WGCR	2876		GP-9	03/25/1988	20,000	72,000	RLB		Dec-93	
20	GFRR	GFRR	2881	78952	GP-38	07/01/1995	70,000	130,000	RLB		Jun-95	
21	GFRR	GFRR	2882	79251	GP-38	07/01/1995	70,000	130,000	RLB		Jun-95	
22	GFRR	GFRR	2883	79252	GP-38	07/01/1995	70,000	130,000	RLB		Jun-95	
23	GFRR	GFRR	2886	79373	GP-38	07/01/1995	70,000	130,000	RLB		Jun-95	
24	WGCR	WGCR	3832		GP-9-R	03/25/1988	20,000	72,000	RLB		Dec-93	
25	WGCR	WGCR	3872		GP-9-R	03/25/1988	20,000	72,000	RLB		Dec-93	
26	WGCR	WGCR	6226		GP-9	04/05/1988	20,000	72,000	RLB		Dec-93	
27	LXOH	LXOH	7738	18410	GP-8	03/27/1989	67,000	68,000	RLB		Dec-93	
28	RMWR	RMWR	7913	18419	GP-8	02/29/1992	34,000	70,000	RLB		Dec-93	
29	GFRR	GFRR	8006	20794	GP-10	04/14/1995	45,000	85,000	RLB		Apr-95	
30	MSDR	MSDR	8047	19382	GP-10	01/01/1986	35,000	72,000	RLB		Dec-93	

<-----Present G&O ID----->										<-----Valuation Data----->				Operational	
Item #	Owner	Road ID	Road No.	Serial #	Model	Acquisition Date	Cost	FMV	Source	Date	Status				
31	GFRR	GFRR	8050	25026	GP-10	04/14/1995	45,000	85,000	RLB	Apr-95					
32	WGCR	WGCR	8056	19898	GP-10	02/18/1992	33,000	72,000	RLB	Dec-93					
33	GFRR	GFRR	8067	22328	GP-10	04/14/1995	45,000	85,000	RLB	Apr-95					
34	MSDR	MSDR	8068	20147	GP-10	01/01/1986	35,000	68,000	RLB	Dec-93					
35	AGLF	AGLF	8090	20757	GP-10	01/01/1992	71,762	74,000	RLB	Dec-93					
36	GFRR	GFRR	8092		GP-10	10/30/1995	23,500	85,000	RLB	Apr-95					
37	H&S	AGLF	8104	20283	GP-10	01/01/1992	71,763	74,000	RLB	Dec-93					
38	RMWR	RMWR	8136	23858	GP-10	04/14/1995	49,500	85,000	RLB	Apr-95					
39	GFRR	GFRR	8220		GP-10	10/30/1995	23,500	85,000	RLB	Apr-95					
40	AGLF	AGLF	8265	22336	GP-10	08/01/1994	43,000	85,000	RLB	Apr-95					
41	GFRR	GFRR	8274	19764	GP-10	04/14/1995	55,845	85,000	RLB	Apr-95					
42	GFRR	GFRR	8302	19213	GP-10	08/01/1994	43,000	85,000	RLB	Apr-95					
43	GFRR	GFRR	8309		GP-10	01/16/1996	95,000	85,000	PC						
44	AGLF	AGLF	8311	19231	GP-10	05/04/1993	47,500	74,000	RLB	Dec-93					
45	AGLF	AGLF	8314	19264	GP-10	05/04/1993	47,500	74,000	RLB	Dec-93					
46	GFRR	GFRR	8330		GP-10	04/14/1995	53,499	74,000	RLB	Jun-95					
47	RMWR	RMWR	8331	23855	GP-10	09/01/1994	49,345	85,000	RLB	Apr-95					
48	AGLF	AGLF	8395	20840	GP-10	06/25/1993	40,000	68,000	RLB	Dec-93					
49	GFRR	GFRR	8396		GP-10	01/16/1996	95,000	85,000	PC						
50	WGCR	WGCR	8420	15851	GP-8	12/10/1990	50,000	66,000	RLB	Dec-93					
51	AGLF	AGLF	8421		GP-7-R	12/31/1990	62,000	68,000	RLB	Dec-93					
52	AGLF	AGLF	9525		SW1500	05/06/1997	162,500	205,000	PC						
53	AGLF	AGLF	9528		SW1500	05/19/1997	162,500	205,000	PC						
54	AGLF	AGLF	9573		SW1500	05/06/1997	162,500	205,000	PC						
55	RMWR	LXOH	203		STEAM	09/01/1995	70,000	100,000	PC						
56	GFRR	GFRR	8174		GP-10	01/15/1996	95,000	85,000	PC						
<b>TOTALS</b>							<b>0</b>	<b>2,870,714</b>	<b>3,722,000</b>						

Attest:

Date:

Gulf & Ohio Railways Co., Inc.  
Knoxville, TN

Bank of America

01/27/2000

Revenue Equipment Roster & Collateral Report

Item #	Owner	Present G&O Road ID	Road ID	Road No.	Road ID	Prior Markings		AAE	Acquisition Date	Cost	Valuation Data		Source	Date	Operational Status
						Road No.	No.				FMV	Source			
1		MSDR		4001					02/23/1994	21,442	21000.00		JH		12/31/1999
2		MSDR		4009					02/23/1994	21,442	21000.00		JH		
3		MSDR		4010					02/23/1994	21,442	21000.00		JH		
4		MSDR		4016					02/23/1994	21,442	21000.00		JH		
5		MSDR		4019					02/23/1994	21,442	21000.00		JH		
6		MSDR		4020					02/23/1994	21,442	21000.00		JH		
7		MSDR		4079					02/23/1994	21,442	21000.00		JH		
8		MSDR		4093					02/23/1994	21,442	21000.00		JH		
9		SRN		4005					02/23/1994	21,442	21000.00		JH		
0		SRN		4008					02/23/1994	21,442	21000.00		JH		
1		SRN		4012					02/23/1994	21,442	21000.00		JH		
2		SRN		4015					02/23/1994	21,442	21000.00		JH		
3		SRN		4022					02/23/1994	21,442	21000.00		JH		
4		SEN		4029					02/23/1994	21,442	21000.00		JH		
5		SRN		4040					02/23/1994	21,442	21000.00		JH		
6		SRN		4043					02/23/1994	21,442	21000.00		JH		
7		SRN		4047					02/23/1994	21,442	21000.00		JH		
8		SRN		4048					02/23/1994	21,442	21000.00		JH		
9		SRN		4049					02/23/1994	21,442	21000.00		JH		
0		SRN		4050					02/23/1994	21,442	21000.00		JH		
1		SRN		4051					02/23/1994	21,442	21000.00		JH		
2		SRN		4063					02/23/1994	21,442	21000.00		JH		
3		SRN		4064					02/23/1994	21,442	21000.00		JH		
4		SRN		4066					02/23/1994	21,442	21000.00		JH		
5		SRN		4068					02/23/1994	21,442	21000.00		JH		

Bank of America

Item #	Owner	Present G&O ID		Prior Markings		AAR	Acquisition Data		Valuation Data		Operational Status
		Road ID	Road No.	Road ID	Road No.		Date	Cost	FMV	Source	
5	SRN	4071	LRS	4071	4071		02/23/1994	21,442	21000.00	JH	12/31/1999
7	SRN	4072	LRS		4072		02/23/1994	21,442	21000.00	JH	
8	SRN	4076	LRS		4076		02/23/1994	21,442	21000.00	JH	
9	SRN	4078	LRS		4078		02/23/1994	21,442	21000.00	JH	
0	SRN	4087	LRS		4087		02/23/1994	21,442	21000.00	JH	
1	SRN	4090	LRS		4090		02/23/1994	21,442	21000.00	JH	
2	SRN	4091	LRS		4091		02/23/1994	21,442	21000.00	JH	
3	SRN	4100	LRS		4100		02/23/1994	21,442	21000.00	JH	
4	MSDR	1100	INBCL		1275		07/01/1993	1,604	14000.00	JH	
5	MSDR	1101	GNBCL		1273		07/01/1993	1,604	14000.00	JH	
6	MSDR	1102	INBCL		1328		07/01/1993	1,604	14000.00	JH	
7	MSDR	1104	GNBCL		1278		07/01/1993	1,604	14000.00	JH	
8	MSDR	1105	GB		1345		07/01/1993	1,604	14000.00	JH	
9	MSDR	1107	GNBCL		1269		07/01/1993	1,604	14000.00	JH	
0	MSDR	1108	INBCL		1332		07/01/1993	1,604	14000.00	JH	
1	MSDR	1109	GNBCL		1277		07/01/1993	1,604	14000.00	JH	
2	MSDR	1110	GNBCL		1306		07/01/1993	1,604	14000.00	JH	
3	MSDR	1111	GNBCL		1270		07/01/1993	1,604	14000.00	JH	
4	MSDR	1112	GNBCL		1346		07/01/1993	1,604	14000.00	JH	
5	MSDR	1113	GNBCL		1288		07/01/1993	1,604	14000.00	JH	
6	MSDR	1162	GNBCL		1202		07/01/1993	1,604	14000.00	JH	
7	MSDR	1153	GNBCL		12309		07/01/1993	1,604	14000.00	JH	
8	MSDR	1154	GNBCL		12178		07/01/1993	1,604	14000.00	JH	
9	MSDR	1185	GNBCL		11099		07/01/1993	1,604	14000.00	JH	
0	MSDR	2700					07/01/1993	1,604	15000.00	JH	
1	MSDR	2706					07/01/1993	1,604	15000.00	JH	
2	MSDR	2708					07/01/1993	1,604	15000.00	JH	

Bank of America

em #	Owner	Present G&O ID----->		Road		Prior Markings		AAR	Acquisition Date	Valuation Data		Source	Date	Operational Status
		Road ID	Road No.	Road ID	Road No.	Car Type	Cost			FMV				
3	MSDR		2709						07/01/1993	1,604	16000.00	JH		12/31/1999
4	MSDR		12076						03/01/1986	1,600	12000.00	JH		
5	MSDR		12244						03/01/1986	1,600	12000.00	JH		
6	MSDR		12360						03/01/1986	1,600	12000.00	JH		
7	MSDR		12384						03/01/1986	1,600	12000.00	JH		
8	MSDR		560000						03/01/1986	1,600	12000.00	JH		
9	MSDR		560145						03/01/1986	1,600	12000.00	JH		
10	MSDR		560934						03/01/1986	1,600	12000.00	JH		
11	MSDR		560511						03/01/1986	1,600	12000.00	JH		
12	MSDR		560714						03/01/1986	1,600	12000.00	JH		
13	MSDR		560733						03/01/1986	1,600	12000.00	JH		
14	MSDR		562364						03/01/1986	1,600	12000.00	JH		
15	MSDR		562598						03/01/1986	1,600	12000.00	JH		
16	MSDR		562918						03/01/1986	1,600	12000.00	JH		
17	LRS		7221						07/31/1998	10,548	15000.00	JH		
18	LRS		7222						07/31/1998	10,548	15000.00	JH		
19	LRS		7224						07/31/1998	10,548	15000.00	JH		
20	LRS		7225						07/31/1998	10,548	15000.00	JH		
21	LRS		7226						07/31/1998	10,548	15000.00	JH		
22	LRS		7227						07/31/1998	10,548	15000.00	JH		
23	LRS		7229						07/31/1998	10,548	15000.00	JH		
24	LRS		7230						07/31/1998	10,548	15000.00	JH		
25	LRS		7232						07/31/1998	10,548	15000.00	JH		
26	LRS		7234						07/31/1998	10,548	15000.00	JH		
27	LRS		7235						07/31/1998	10,548	15000.00	JH		
28	LRS		7238						07/31/1998	10,548	15000.00	JH		
29	LRS		7240						07/31/1998	10,548	15000.00	JH		

Bank of America

Item #	Present G&O ID	Road ID	Road No.	Road ID	Road No.	Error Markings	AAR	Car Type	Acquisition Data		Valuation Data		Source	Date	Operational Status
									Date	Cost	FMV				
30	LRS	7241							07/31/1998	10,548	15000.00		JH		12/31/1999
31	LRS	7242							07/31/1998	10,548	15000.00		JH		
32	LRS	7244							07/31/1998	10,548	15000.00		JH		
33	LRS	7245							07/31/1998	10,548	15000.00		JH		
4	LRS	7246							07/31/1998	10,548	15000.00		JH		
5	LRS	7247							07/31/1998	10,548	15000.00		JH		
6	LRS	7248							07/31/1998	10,548	15000.00		JH		
7	DRS	7249							07/31/1998	10,548	15000.00		JH		
8	LRS	7250							07/31/1998	10,548	15000.00		JH		
9	LRS	7251							07/31/1998	10,548	15000.00		JH		
10	LRS	7252							07/31/1998	10,548	15000.00		JH		
11	LRS	7254							07/31/1998	10,548	15000.00		JH		
12	LRS	7255							07/31/1998	10,548	15000.00		JH		
13	LRS	7257							07/31/1998	10,548	15000.00		JH		
14	LRS	7260							07/31/1998	10,548	15000.00		JH		
15	LRS	7261							07/31/1998	10,548	15000.00		JH		
16	LRS	7262							07/31/1998	10,548	15000.00		JH		
17	LRS	7263							07/31/1998	10,548	15000.00		JH		
18	LRS	7264							07/31/1998	10,548	15000.00		JH		
19	LRS	7266							07/31/1998	10,548	15000.00		JH		
20	LRS	7268							07/31/1998	10,548	15000.00		JH		
1	LRS	7269							07/31/1998	10,548	15000.00		JH		
2	LXOH	2701							07/01/1993	1,604	15000.00		JH		
3	LXOH	2703							07/01/1993	1,604	15000.00		JH		
4	LXOH	2704							07/01/1993	1,604	15000.00		JH		
5	LXOH	2705							07/01/1993	1,604	15000.00		JH		
6	LXOH	2707							07/01/1993	1,604	15000.00		JH		

Bank of America

em #	Present G&O ID----->			Prior Markings			Valuation Data----->			Operational Status
	Owner	Road ID	Road No. ID	Road No.	AAR	Acquisition Date	Cost	FMTV	Source	
37	LXOH	4044	MSDR	4044		07/01/1993	1,604	21000.00	JH	12/31/1999
38	LXOH	7201	LRS	7201		02/23/1994	21,442	15000.00	JH	
39	LXOH	7202	LRS	7202		02/23/1994	21,442	15000.00	JH	
40	LXOH	7204	LRS	7204		02/23/1994	21,442	15000.00	JH	
41	LXOH	7207	LRS	7207		02/23/1994	21,442	15000.00	JH	
42	LXOH	7228	LRS	7228		02/23/1994	21,442	15000.00	JH	
43	LXOH	7231	LRS	7231		02/23/1994	21,442	15000.00	JH	
44	LXOH	7233	LRS	7233		02/23/1994	21,442	15000.00	JH	
45	LXOH	7236	LRS	7236		02/23/1994	21,442	15000.00	JH	
46	LXOH	7237	LRS	7237		02/23/1994	21,442	15000.00	JH	
47	LXOH	7243	LRS	7243		02/23/1994	21,442	15000.00	JH	
48	LXOH	7253	LRS	7253		02/23/1994	21,442	15000.00	JH	
49	LXOH	7266	LRS	7266		02/23/1994	21,442	15000.00	JH	
50	LXOH	7267	LRS	7267		02/23/1994	21,442	15000.00	JH	
51	LXOH	1103	MSDR	1103		07/01/1993	1,604	14000.00	JH	
52	LXOH	1106	MSDR	1106		07/01/1993	1,604	14000.00	JH	
53	LXOH	1151	MSDR	1151		07/01/1993	1,604	14000.00	JH	
54	LXOH	1156	MSDR	1156		07/01/1993	1,604	14000.00	JH	
55	LXOH	5003	GNRR	5003		05/03/1999	34,789	23000.00	JH	
56	LXOH	5004	GNRR	5004		05/03/1999	34,789	23000.00	JH	
57	LXOH	5013	GNRR	5013		05/03/1999	34,789	23000.00	JH	
58	LXOH	5020	GNRR	5020		05/03/1999	34,789	23000.00	JH	
59	LXOH	5034	GNRR	5034		05/03/1999	34,789	23000.00	JH	
60	LXOH	5039	GNRR	5039		05/03/1999	34,789	23000.00	JH	
61	LXOH	5045	GNRR	5045		05/03/1999	34,789	23000.00	JH	
62	LXOH	5060	GNRR	5060		05/03/1999	34,789	23000.00	JH	
63	LXOH	5071	GNRR	5071		01/01/1999	35,656	23000.00	JH	

Bank of America

em #	Owner	Present G&O ID		Road	Road No. ID	Prior Markings		AAR	Acquisition Date	Cost	Valuation Data		Operational Status
		Road ID	Road No. ID			Road No.	Car Type				FMV	Source	
34	LXOH	5074	GNRR	5074	5074	GNRR	5074	05/03/1999	34,789	23000.00	JH	12/31/1999	
35	LXOH	6075	GNRR	6075	6075	GNRR	6075	01/01/1999	35,656	23000.00	JH		
36	LXOH	5079	GNRR	5079	5079	GNRR	5079	01/01/1999	35,656	23000.00	JH		
37	LXOH	5081	GNRR	5081	5081	GNRR	5081	05/03/1999	34,789	23000.00	JH		
38	LXOH	5086	GNRR	5086	5086	GNRR	5086	01/01/1999	35,656	23000.00	JH		
39	LXOH	5092	GNRR	5092	5092	GNRR	5092	01/01/1999	35,656	23000.00	JH		
40	LXOH	5100	GNRR	5100	5100	GNRR	5100	01/01/1999	35,656	23000.00	JH		
41	LXOH	5109	GNRR	5109	5109	GNRR	5109	01/01/1999	35,656	23000.00	JH		
42	LXOH	5110	GNRR	5110	5110	GNRR	5110	05/03/1999	34,789	23000.00	JH		
43	LXOH	5119	GNRR	5119	5119	GNRR	5119	01/01/1999	35,656	23000.00	JH		
44	LXOH	5121	GNRR	5121	5121	GNRR	5121	05/03/1999	34,789	23000.00	JH		
45	LXOH	5129	GNRR	5129	5129	GNRR	5129	05/03/1999	34,789	23000.00	JH		
46	LXOH	5130	GNRR	5130	5130	GNRR	5130	05/03/1999	34,789	23000.00	JH		
47	LXOH	5134	GNRR	5134	5134	GNRR	5134	05/03/1999	34,789	23000.00	JH		
48	LXOH	5146	GNRR	5146	5146	GNRR	5146	05/03/1999	34,789	23000.00	JH		
49	LXOH	5174	GNRR	5174	5174	GNRR	5174	05/03/1999	34,789	23000.00	JH		
0	LXOH	5176	GNRR	5176	5176	GNRR	5176	01/01/1999	35,656	23000.00	JH		
1	LXOH	5178	GNRR	5178	5178	GNRR	5178	05/03/1999	34,789	23000.00	JH		
2	LXOH	5200	GNRR	5200	5200	GNRR	5200	01/01/1999	35,656	23000.00	JH		
3	LXOH	5215	GNRR	5215	5215	GNRR	5215	01/01/1999	35,656	23000.00	JH		
4	LXOH	5218	GNRR	5218	5218	GNRR	5218	05/03/1999	34,789	23000.00	JH		
5	LXOH	210608						09/08/1999	8,000				
6	LXOH	210617						09/08/1999	8,000				
7	LXOH	210627						09/08/1999	8,000				
8	LXOH	210601						09/08/1999	8,000				
9	LXOH	210607						09/08/1999	8,000				
3	LXOH	210628						09/08/1999	8,000				

Bank of America

em #	Owner	Present G&O ID----->		Road		Prior Markings		AAR	Acquisition Data	Cost	Valuation Data----->		Operational Status
		Road ID	Road No.	Road ID	Road No.	Car Type	Date				FMV	Source	
61		LXOH	210672						09/08/1999	8,000			12/31/1999
62		LXOH	210661						09/08/1999	8,000			
63		LXOH	210634						09/08/1999	8,000			
64		LXOH	210697						09/08/1999	8,000			
65		LXOH	210732						09/08/1999	8,000			
66		LXOH	210778						09/08/1999	8,000			
67		LXOH	210785						09/08/1999	8,000			
68		LXOH	210790						09/08/1999	8,000			
69		LXOH	210829						09/08/1999	8,000			
70		LXOH	210847						09/08/1999	8,000			
71		MSDR	7203						07/01/1993	1,604			
72		MSDR	7205						07/01/1993	1,604			
73		MSDR	7206						07/01/1993	1,604			
74		MSDR	7208						07/01/1993	1,604			
75		MSDR	7209						07/01/1993	1,604			
76		MSDR	7210						07/01/1993	1,604			
77		MSDR	7211						07/01/1993	1,604			
78		MSDR	7212						07/01/1993	1,604			
79		MSDR	7213						07/01/1993	1,604			

2695000.00

**EXHIBIT B**

**List of Grantors' Principal Places of Business and Chief Executive Offices:**

Principal Places of Business

Wiregrass Central Railroad  
812 North Main Street  
Enterprise, Alabama 36330

Gulf & Ohio Railways, Inc., d/b/a  
Mississippi Delta Railroad  
421 Fourth Street  
Clarksdale, Mississippi 38614

Rocky Mount & Western Railroad Co., Inc.  
Depot Building, Main Street  
Spring Hope, North Carolina 27882

Piedmont & Atlantic Railroad Co., Inc.  
8301 Second Street  
Rural Hall, North Carolina 27045

Lexington & Ohio Railroad Co., Inc.  
433-C Lexington Road  
Versailles, Kentucky 40383

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

Gulf & Ohio Railways Holding Co., Inc.  
401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

Knoxville & Holston River Railroad Co., Inc.  
401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

Knoxville Locomotive Works, Inc.  
401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

Laurinburg & Southern Railroad Co., Inc.  
204 Railroad Street  
Laurinburg, North Carolina 28353

Tennessee Railcar Services, Inc.  
401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

Gulf & Ohio Airways, Inc.  
401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

Chief Executive Offices

For all above:

401 Henley Street, Suite 5  
Knoxville, Tennessee 37902

**EXHIBIT C**

**Names of Grantors under which Collateral is Owned, Used or Sold:**

- (A) Wiregrass Central Railroad
- (B) Wiregrass Central Railroad Company, Inc.
- (C) Mississippi Delta Railroad
- (D) Gulf & Ohio Railways, Inc.
- (E) Nash County Railroad
- (F) Yadkin Valley Railroad
- (G) Piedmont & Atlantic Railroad Co., Inc.
- (H) Rocky Mount & Western Railroad Co., Inc.
- (I) Lexington & Ohio Railroad Co., Inc.
- (J) Gulf & Ohio Railways, Inc., d/b/a Mississippi Delta Railroad
- (K) Gulf & Ohio Railways Holding Co., Inc.
- (L) Knoxville & Holston River Railroad Co., Inc.
- (M) Knoxville Locomotive Works, Inc.
- (N) Laurinburg & Southern Railroad Co., Inc.
- (O) Tennessee Railcar Services, Inc.
- (P) Gulf & Ohio Airways, Inc.