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RECORDATION NO. 23321 FILED

JAN 10 '01 11-27 AM

75  
SURFACE TRANSPORTATION BOARD

igitomer@bjllp.com

January 10, 2001

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary Williams:

I have enclosed three originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement, a primary document, dated as of January 10, 2001. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Security Agreement are:

Secured Party:

First Citizens National Bank  
P.O. Box 370  
Dyersburg, TN 38025

Debtor:

Tennken Railroad Co., Inc.  
314 Wilkinson Street  
Frankfort, KY 40601

A description of the equipment covered by the Memorandum of Security Agreement consists of three GP-28 locomotives numbered TKEN 9433, 9434, and 9435.

BALL JANIK LLP

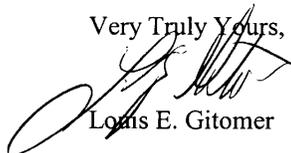
Honorable Vernon A. Williams  
January 10, 2001  
Page 2

A fee of \$ 27.00 is enclosed. Please return two originals to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Security Agreement between First Citizens National Bank, P.O. Box 370, Dyersburg, TN 38025, and Tennken Railroad Co., Inc., 314 Wilkinson Street, Frankfort, KY 40601, covering three GP-28 locomotives numbered TKEN 9433, 9434, and 9435.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name. The signature is stylized and cursive.

Louis E. Gitomer

Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

Between

FIRST CITIZENS NATIONAL BANK (Secured Party)

and

TENNKEN RAILROAD CO., INC. (Debtor)

MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement, made and entered into as of January 10, 2001, is by and between FIRST CITIZENS NATIONAL BANK, P. O. Box 370, Dyersburg, Tennessee 38025, ("Secured Party"), and TENNKEN RAILROAD CO., INC. ("Debtor"), a Kentucky corporation authorized to conduct business in the State of Tennessee, with its principal place of business at 314 Wilkinson Street, Frankfort, Kentucky 40601.

WITNESSETH:

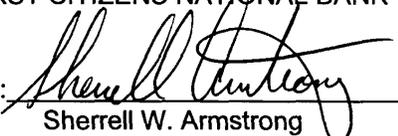
Secured Party and Debtor have entered into that certain Security Agreement dated as of January 10, 2001, (the Security Agreement, as it has heretofore and may hereafter be amended, modified, supplemented or restated from time to time, being hereafter called the "Security Agreement"), which is incorporated by reference herein, pursuant to which, Debtor has granted a lien and security interest in certain locomotives, bearing road numbers as listed in the Exhibit attached hereto in order to secure the performance of the obligations of SCTRR, LLC, an affiliate of the Debtor, under that certain Loan Agreement dated as of January 10, 2001.

This Memorandum of Security Agreement may be executed by the parties in any number of counterparts, each executed counterpart constituting an original but altogether one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers duly authorized as of the date and year first above written.

SECURED PARTY:

FIRST CITIZENS NATIONAL BANK

BY:   
Sherrell W. Armstrong  
Vice-President

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SURFACE TRANSPORTATION BOARD

DEBTOR:

TENNKEN RAILROAD CO., INC.

BY:   
Bruce Hohorst  
President

STATE OF TENNESSEE

COUNTY OF DYER

On this 9<sup>th</sup> day of January, 2001, before me personally appeared Sherrell W. Armstrong, to me personally known, who, being by me duly sworn, says that he is Vice-President of FIRST CITIZENS NATIONAL BANK, that he is duly authorized to sign the foregoing instrument on behalf of FIRST CITIZENS NATIONAL BANK, and acknowledged that the execution of the foregoing instrument was the free act and deed of FIRST CITIZENS NATIONAL BANK.

  
Notary Public

My Commission Expires: 10-21-03

STATE OF TENNESSEE

COUNTY OF DYER

On this 9<sup>th</sup> day of January, 2001, before me personally appeared Bruce Hohorst, to me personally known, who, being by me duly sworn, says that he is the President of TENNKEN RAILROAD CO., INC., that he is duly authorized to sign the foregoing instrument on behalf of TENNKEN RAILROAD CO., INC., and acknowledged that the execution of the foregoing instrument was the free act and deed of TENNKEN RAILROAD CO., INC.

  
Notary Public

My Commission Expires: 10-21-03

EXHIBIT  
TO

MEMORANDUM OF SECURITY AGREEMENT BETWEEN  
FIRST CITIZENS NATIONAL BANK AND TENNKEN RAILROAD CO., INC.

<u>Model</u>	<u>Car mark</u>	<u>Transit ID Number</u>
GP 28	TKEN	9433
GP 28	TKEN	9434
GP 28	TKEN	9435