

SMARTT & DORRIS

ATTORNEYS AT LAW
107 COLLEGE STREET

P.O. BOX **RECORDATION NO. 1 5143**
McMINNVILLE, TENNESSEE 37110
(615) 473-3622 DR (615) 473-4893

Filed & Recorded

JAN 5 1987 10-05 AM

INTERSTATE COMMERCE COMMISSION

December 15, 1986

JAN 5 9 56 AM '87

100 OFFICE OF THE SECRETARY

KEITH S. SMARTT
RICHARD A. DORRIS

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

No. **005A030**

Date **JAN 5 1987**

Fee \$ **10.00**

Attn: Room 2303

ICC Washington, D.C.

Dear Sirs:

Enclosed are two (2) notarized copies of the promissory note and security agreement in regard to a certain loan by the First National Bank of McMinnville, Tennessee to the Caney Fork and Western Railroad, Incorporated, whose address is P.O. Box 451, McMinnville, Tennessee 37110. As you will note on the security agreement it covers thirteen (13) open-top-hopper-cars numbers 1101, 1103-1113, 1115, and 1124 and three (3) locomotives described as engine number 2345 emdgp-7; engine number 997 emdgp-7; engine number 531 emdgp-9.

This information is being furnished by the undersigned, as attorney for the First National Bank of McMinnville, Tennessee.

I am also enclosing a check for ten dollars (\$10.00) which I understand to be the filing fee. If there should be any questions or problems with the registration of the security interest in these railroad cars and engines, please contact me at the above-address.

Sincerely yours,

SMARTT & DORRIS



Keith S. Smartt

KSS/bw

Enclosures

cc: Charles Jacobs
First National Bank

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.
 You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.
 The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.
 This notice is not the contract that makes you liable for the debt.

The undersigned acknowledges receipt of a true copy of this Document prior to becoming obligated.

RECORDATION NO. 5143 Filed & Recorded

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DATE

SIGNATURE

CANEY FORK WESTERN RR. INC

(MAKER'S FULL NAME)

P.O. BOX 451

(MAKER'S FULL NAME)

MCMINNVILLE, TN 37110

(ENDORSEER'S OR GUARANTOR'S FULL NAME)

1014122

(ACCT. NO.)



JAN INTERSTATE COMMERCE COMMISSION New Renew

(DUE DATE)

purchase equip, operating capital
(LOAN PURPOSE)

ABOVE FOR BANK USE ONLY.

PROMISSORY NOTE, SECURITY AGREEMENT, AND DISCLOSURE STATEMENT

McMinnville, Tennessee 37110

NOV 4 1986
(NOTE DATE)

\$ 130,000.00

For value received, the undersigned jointly and severally promise to pay to the order of FIRST NATIONAL BANK OF McMinnville, at any of its banking offices ONE HUNDRED THIRTYTHOUSAND AND NO/100 DOLLARS DOLLARS

to be paid as set out in your payment schedule below together with interest on the unpaid balance as indicated in the "PAYMENT SCHEDULE"; the interest to be calculated as follows: At _____ % per annum _____
 All payments will be applied first to the accrued interest and next to the unpaid principal of my loan. The exact amount of my final payment, finance charge, and total of payments will be somewhat more or less than the amounts shown below if you do not receive each payment on the scheduled payment date.

ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate)	FINANCE CHARGE (The Dollar amount the credit will cost you)	AMOUNT FINANCED (The amount of credit provided to you or on your behalf)	TOTAL OF PAYMENTS (The amount you will have paid when you have made all payments as scheduled)
10.50 %	\$ 37,652.00	\$ 130,000.00	\$ 167,652.00

Your payment schedule will be: (Check and complete one)
 Entire "Total of Payments" _____ days after date.
 The "Total of Payments" is payable in 60 monthly payments of \$ 2,794.20 beginning on the 4 day of DEC, 19 86 and followed by _____ monthly payments of \$ _____
 Demand Feature: This obligation is payable on demand. All disclosures are based upon an assumed maturity of one year. Interest payments are due
 Other _____

Number of Payments	Amount of Payments	When Payments Are Due

Security: You are giving a security interest in:
 the goods or property being purchased.
 Other: _____
 (Collateral securing other loans with us and your deposit accounts may also secure this loan.)

Prepayment: If you pay off early, you will not have to pay a penalty, and may be entitled to a refund of part of the finance charge.
 Late Charge: You will be charged five percent (5%) of the payment if payment is not received within 15 days of its due date.
 Residential Mortgage Loan: If this is a loan secured by a mortgage on your residence, someone buying your residence may, subject to conditions, be allowed to assume the remainder of the mortgage on the original terms.
 You may obtain property insurance from anyone you want that is acceptable to First National Bank. The creditor making the disclosure herein.
 See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties. (e - means an estimate)

INSURANCE

Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signatures (or Initials)
Credit Life		I want credit life insurance x _____ Name of Insured _____
Credit Disability		I want credit disability insurance x _____ Name of Insured _____
Joint Credit Life		I want joint credit life insurance x _____ Name of Insured _____ Name of Insured _____

Itemization of Amount Financed	130,000.00
Amount given to you directly	130,000.00
Amount paid on your account	0.00
Amounts paid to others on your behalf:	
A. Credit Life Insurance	0.00
B. Credit Accident/Health Ins.	0.00
C. Filing, Recording or Release Fees	0.00
D. _____	
E. _____	
PREPAID FINANCE CHARGES	
Total FINANCE CHARGE	37,652.00
Consisting of the following (Itemize):	
A. INTEREST	37,652.00
B. LOAN FEE	0.00
C. OTHER	0.00

SECURITY AGREEMENT: The undersigned hereby grants to FIRST NATIONAL BANK OF McMinnville, McMinnville, Tennessee a security interest in the following described property (hereinafter called "Collateral") including proceeds and products:

Security Agreement filed with Interstate Commerce Commission #
 (13) Open Top Hopper Railroad Cars, Ident# 1101,1103,1104,1105,1106,1107,1108,1109,1110,1111, 1113,1115, and 1124

Three Locomotives: Engine #2345 emdgp-7
 Engine # 979 emdgp-7
 Engine # 531 emdgp-9

USE OF COLLATERAL: The Collateral is used or will be used for personal, family or household , agricultural , or business use. (CHECK ONE)
 THE PROVISIONS ON THE REVERSE SIDE HEREOF ARE MADE A PART OF THIS NOTE AND SECURITY AGREEMENT AS FULLY AS IF SET OUT ON THIS SIDE AND SHOULD BE READ BEFORE THIS NOTE AND SECURITY AGREEMENT ARE SIGNED. THE UNDERSIGNED OBLIGORS AGREE TO ALL THE TERMS HEREOF AND ACKNOWLEDGE RECEIPT OF A COPY OF THE TRUTH IN LENDING DISCLOSURES OF THIS TRANSACTION.

Caney Fork Western R.R., Inc.

(MAKER)

(MAKER)

Soc. Sec. No. _____

WOMACK PRINTING CO., INC. - FORM 31978

I, Charles C. Jacobs, Senior Vice President of First National Bank certify that the two copies attached are true and accurate copies of an original promissory note and security agreement executed November 4, 1986, by Caney Fork Western Railroad, Inc.

FIRST NATIONAL BANK OF MCMINNVILLE, TENN



Charles C. Jacobs, Sr. Vice President

STATE OF TENNESSEE

COUNTY OF WARREN

Before me, Diane Bogle, a notary public for the within State and County, aforesaid, personally appeared Charles C. Jacobs, with whom I am personally acquainted and who upon oath acknowledge himself to be the Senior Vice President of First National Bank and that he executed the above certification.



Diane Bogle, Notary Public

My commission expires 2-27-90.