

AMENDMENT

TO THE

OPERATING AGREEMENT

BETWEEN

THE STATE OF OHIO

OHIO RAIL DEVELOPMENT COMMISSION

AND

THE COLUMBUS & OHIO RIVER RAIL ROAD COMPANY

DECEMBER, 1996

PANHANDLE RAIL LINE

AMENDMENT TO OPERATING AGREEMENT

This AMENDMENT, made and entered into this 11th day of December, 1996, by and between the STATE OF OHIO, OHIO RAIL DEVELOPMENT COMMISSION, hereinafter referred to as "ORDC", 50 West Broad Street, LeVeque Tower, 15th Floor, Columbus, Ohio 43215, and the COLUMBUS AND OHIO RIVER RAIL ROAD COMPANY, hereinafter referred to as the "C&OR", with principal offices located at 136 South Fifth Street, Coshocton, Ohio 43812.

WITNESSETH

WHEREAS, the Ohio Department of Transportation, (ODOT) entered into an OPERATING AGREEMENT on December 11, 1991 with the C&OR for the operation of the rail line known as the Panhandle line; and

WHEREAS, the ODOT Division of Rail is the predecessor of the Ohio Rail Development Commission (ORDC); and

WHEREAS, ORDC wishes to clarify and amend the termination date of the Operating Agreement between the State of Ohio/ORDC and the C&OR as stated in ARTICLE 5 - TERM (A) of the 1991 Agreement; and

WHEREAS, ARTICLE 20 - NOTICES shall be amended to reflect the applicable parties to whom any notices shall be delivered;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto, with the intention of being bound, hereby agree to the following Amendments to the Agreement.

AMENDED ARTICLE 5 - TERM

(A) The term of this Amended Agreement shall commence on the date the C&OR first began service on the Rail Property, April 17, 1992, and shall continue for a period of FIVE (5) years. ORDC retains, however, the right to terminate this Amended Agreement at its discretion after THREE (3) years from April 17, 1992, the date service began on the Rail Property.

(B) It is ORDC's intent, but not obligation, to maintain this Amended Agreement for the full five year term. ORDC does not intend to terminate this Amended Agreement after three years unless the C&OR is not fulfilling the terms and conditions of this Amended Agreement.

(C) ORDC's obligations under this Article 5 "Term" are subject to and may be limited or excused pursuant to the terms of Article 29 "Limitations" (Savings Clause).

(D) Any of the foregoing provisions of Article 5 to the contrary notwithstanding, ORDC's ability to maintain this Amended Agreement, or to enter into subsequent Amended Agreements, is subject to and dependent on, among other things, the Ohio legislature duly and validly authorizing the appropriations necessary for ORDC to continue to perform its obligations under the Lease during each successive biennial budget period.

AMENDED ARTICLE 20 - NOTICES

All notices, requests, demands, directions and other communications (collectively "notices"), given to or made upon any party hereto under the provisions of this Amended Agreement shall be in writing (including telecopied, telexed or telegraphic communication) and shall be delivered or sent by first class, certified, return receipt requested, or first class express mail or overnight air courier service, or by telecopy, telex or telegram with confirmation in writing mailed first class, in all cases with postage or charges prepaid, to the applicable party, addressed:

If to ORDC:

Executive Director
Ohio Rail Development Commission
50 West Broad Street
LeVeque Tower - 15th Floor
Columbus, OH 43215

If to the C&OR:

President
The Columbus & Ohio River Rail Road Company
136 South Fifth Street
Coshocton, OH 43812

or in accordance with any unrevoked written direction from any party to any other party hereto. Each such notice shall be deemed to have been given or received on the date sent except when sent by first class express mail or overnight air courier service, in which case on the next Columbus, Ohio Banking Day thereafter, and except when sent by first class mail, in which case on the third Columbus, Ohio Banking Day thereafter.

AMENDED ARTICLE 33 - EFFECTIVE DATE

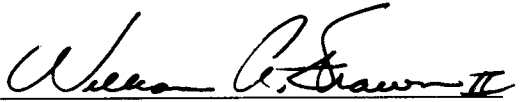
This Amended Operating Agreement shall become effective on December 11, 1996, which will be termed the "effective date".

IN WITNESS WHEREOF, the parties hereto have caused this Amended Agreement to be executed as of the day and year first above written.

ATTESTED BY:



THE COLUMBUS & OHIO RIVER
RAIL ROAD COMPANY

By: 

William A. Strawn
President

ATTESTED BY:



STATE OF OHIO
OHIO RAIL DEVELOPMENT COMMISSION

By: 

Thomas M. O'Leary
Executive Director