

METZ LEWIS BRODMAN MUST O'KEEFE LLC

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RECORDATION NO. 29557-B FILED

OCT 28 '14 -1 17 PM

October 24, 2014

SURFACE TRANSPORTATION BOARD



ATTORNEYS AT LAW
DAWN K. SWEENEY
PARALEGAL

VIA FEDERAL EXPRESS

Section Chief
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20024

Re: Second Amendment to Security Agreement by and among Kasgro Rail Corp.,
Kasgro Leasing, LLC and First National Bank of Pennsylvania

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two certified copies of the Second Amendment to Security Agreement, a secondary document, effective as of September 30, 2014 by and among Kasgro Rail Corp. and Kasgro Leasing, LLC, each a Debtor and collectively the Debtors, and First National Bank of Pennsylvania, Secured Party.

The Second Amendment to Security Agreement grants to Secured Party a security interest in, among other things, all of the Debtors' railcars described on Exhibit "A" to the Security Agreement. Included in the property covered by the aforesaid First Amendment to Security Agreement are railroad cars and other rolling stock intended for use related to interstate commerce, owned by the Debtors at the date of the Second Amendment to Security Agreement or thereafter acquired by the Debtors.

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

Secured Party: First National Bank of Pennsylvania
c/o FNB Business Credit
12 Federal Street, Suite 503
Pittsburgh, PA 15212

Debtors: Kasgro Rail Corp.
Kasgro Leasing, LLC
121 Rundle Road
New Castle, PA 16102

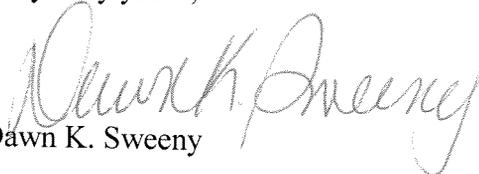
A short summary of the document to appear in the Index is:

Second Amendment to Security Agreement, a secondary document, effective as of September 30, 2014 by and among Kasgro Rail Corp. and Kasgro Leasing, LLC, each a Debtor and collectively the Debtors and First National Bank of Pennsylvania, Secured Party covering, among other things, all of the Debtors' railcars described on Exhibit "A" to the Second Amendment to Security Agreement. Included in the property covered by the aforesaid Second Amendment to Security Agreement are railroad cars and other rolling stock intended for use related to interstate commerce, owned by the Debtors at the date of the Second Amendment to Security Agreement or thereafter acquired by the Debtors.

A check in the amount of \$43.00 has been enclosed to provide for the recordation fee. Upon recording and indexing, please return a stamped copy of the recorded Second Amendment to Security Agreement to me in the enclosed self addressed stamped envelope at your earliest opportunity.

Please do not hesitate to contact me if you have any questions or need anything further to record the Second Amendment to Security Agreement.

Very truly yours,


Dawn K. Sweeny

/dks
Enclosure

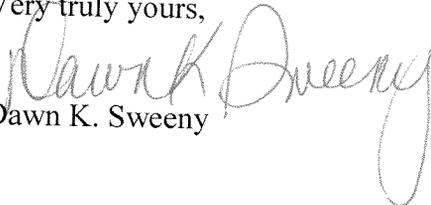
cc: David S. Horvitz, Esq.

October 24, 2014

Surface Transportation Board:

I, the undersigned, as filer of the Second Amendment to Security Agreement made effective as of September 30, 2014, by and among KASGRO RAIL CORP. AND KASGRO LEASING LLC and FIRST NATIONAL BANK OF PENNSYLVANIA, hereby certify that I have compared the copy with the original agreement and have found the attached to be a complete and identical copy with all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

Very truly yours,


Dawn K. Sweeny

SECOND AMENDMENT TO SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS SECOND AMENDMENT TO SECURITY AGREEMENT (this "Second Amendment to Security Agreement"), is made effective as of the 30 day of September, 2014, by and among **KASGRO RAIL CORP.**, a Pennsylvania corporation ("Kasgro Rail"), and **KASGRO LEASING LLC**, a Pennsylvania limited liability company (each a "Debtor" and collectively, the "Debtors"), and **FIRST NATIONAL BANK OF PENNSYLVANIA** (the "Secured Party").

BACKGROUND

A. The Debtors and the Secured Party are parties to that certain Credit Agreement dated November 23, 2010, as amended by that certain First Amendment to Credit Agreement dated August 15, 2011, as further amended by that certain Second Amendment to Credit Agreement dated October 26, 2011, as further amended by that certain Third Amendment to Credit Agreement dated December 19, 2011, as further amended by that certain Fourth Amendment to Credit Agreement made effective as of August 27, 2013, and as further amended by that certain Fifth Amendment to Credit Agreement made effective as of May 30, 2014 (as amended, and as the same may hereafter be amended, modified or supplemented from time to time, including as amended by the Sixth Amendment to Credit Agreement (as hereinafter defined), the "Credit Agreement"), pursuant to which the Secured Party has made certain revolving credit and term loan financing available to the Debtors.

B. As security for the prompt and full payment and performance of, *inter alia*, the indebtedness and obligations of the Debtors under the Credit Agreement and the other Loan Documents, the Debtors and the Secured Party entered into that certain Security Agreement dated as of November 23, 2010 (the "Security Agreement") pursuant to which the Debtors granted the Secured Party a first priority lien on and security interest in all of the Debtors' assets and properties.

C. The Debtors have requested that the Secured Party enter into a Sixth Amendment to Credit Agreement of even date herewith (the "Sixth Amendment to Credit Agreement") pursuant to which the Secured Party will make an additional term loan to the Debtors under the Credit Agreement being Term Loan No. 4.

D. The Secured Party is not willing to enter into the Sixth Amendment to Credit Agreement unless the Debtors enter into this Second Amendment to Security Agreement.

E. As an inducement for the Secured Party to enter into the Sixth Amendment to Credit Agreement, and as a condition thereto, the Debtors have agreed to enter into this Second Amendment to Security Agreement.

NOW, THEREFORE, intending to be legally bound hereby, the Debtors and the Secured Party covenant and agree as follows:

SECTION 1. USE OF TERMS; RECITALS

1.1 Capitalized terms used herein (including the recitals above) shall have the same meaning ascribed thereto in the Security Agreement as supplemented hereby unless otherwise specified herein.

1.2 The parties hereto acknowledge that the recitals set forth above are true and correct and are incorporated herein by reference.

SECTION 2. AMENDMENTS TO THE SECURITY AGREEMENT

2.1 The definition of "Equipment" as set forth in the Security Agreement is amended and restated in its entirety to read as follows:

"Equipment" means all "equipment" as such term is defined in Article 9 of the Applicable UCC. Equipment shall specifically include within the meaning thereof all motor vehicles, tractors, trailers, railcars or other rolling stock covered by a federal or state motor vehicle title or other title document, including, without limitation, all railcars listed and described on Exhibit "A" attached hereto, Exhibit "A" attached to that certain First Amendment to Security Agreement made effective as of December 19, 2011 between the Debtors and the Secured Party, and Exhibit "A" attached to that certain Second Amendment to Security Agreement made effective as of September 30, 2014 between the Debtors and the Secured Party.

2.2 This Second Amendment to Security Agreement shall be deemed to be a supplement to the Security Agreement and shall not be construed in any way as a replacement therefor. All of the terms and provisions of this Second Amendment to Security Agreement are hereby incorporated by reference into the Security Agreement as if such terms and provisions were set forth in full therein.

SECTION 3. DEBTOR REAFFIRMATIONS

3.1 The Debtors hereby acknowledge, confirm and agree that all of the terms, provisions, obligations, guarantees and agreements of the Debtors under the Security Agreement remain in full force and effect in all respects, and the Debtors agree that they continue to be bound by the terms and conditions thereof as supplemented by this Second Amendment to Security Agreement. The Debtors hereby reaffirm their obligations and liabilities under the Security Agreement and reaffirm that the Collateral continues to secure the Secured Obligations, which include all Secured Obligations existing both before and after giving effect to the Sixth Amendment to Credit Agreement, all without offset, defense or counterclaim. The Debtors further confirm that as of the date hereof they have no defense, set-off, recoupment or counterclaim against their obligations under the Security Agreement, and their obligations thereunder are absolute and unconditional.

3.2 The Debtors further acknowledge, confirm and agree that as used in the Security Agreement, the term "Notes" includes within the meaning thereof, and encompasses, the Term Loan No. 4 Note (as defined in the Credit Agreement), as the same may be amended, modified and supplemented from time to time hereafter. The Debtors further acknowledge, confirm and agree that as used in the Security Agreement, the term "Secured Obligations" includes within the meaning thereof, and encompasses, all of the obligations, liabilities and indebtedness of the Debtors under the Term Loan No. 4 Note and the Credit Agreement as amended by the Sixth Amendment to Credit Agreement.

3.3 The Debtors hereby ratify, confirm, reaffirm and restate the grant and conveyance of all liens and security interests granted by the Debtors to the Secured Party in the Collateral pursuant to the Security Agreement, and such liens and security interests continue to secure the Secured Obligations, including, without limitation, Term Loan No. 4 (as defined in the Credit Agreement).

SECTION 4. CONTINUED EFFECTIVENESS OF THE SECURITY AGREEMENT

4.1 The Security Agreement is, and shall continue to be, in full force and effect both before and after giving effect to the Sixth Amendment to Credit Agreement, and is hereby ratified and confirmed in all respects except that on and after the date hereof (i) all references in the Security Agreement to "this Agreement", "hereof", "hereto", or words of like import referring to the Security Agreement shall be references to the Security Agreement as further supplemented by this Second Amendment to Security

Agreement, and (iii) all references in the Security Agreement to “the Credit Agreement” shall be references to the Credit Agreement as further amended by the Sixth Amendment to Credit Agreement.

4.2 The Security Agreement and this Second Amendment to Security Agreement shall be construed as complementing each other and not restricting the rights of the Secured Party, and the Security Agreement remains in full force and effect as specifically supplemented by this Second Amendment to Security Agreement. This Second Amendment to Security Agreement is not intended to be a novation, release or accord and satisfaction of the Security Agreement or any of the liabilities and obligations of the Debtors thereunder.

SECTION 5. DEBTOR REPRESENTATIONS

The Debtors represent and warrant to the Secured Party that this Second Amendment to Security Agreement has been duly authorized, executed and delivered by the Debtors and constitutes the legal, valid and binding obligation of the Debtors enforceable in accordance with its terms.

SECTION 6. MISCELLANEOUS

6.1 This Second Amendment to Security Agreement, any claim arising from or relating to this Second Amendment to Security Agreement, or any statement, course of conduct, act, omission, or event occurring in connection herewith (whether for breach of contract, tort or any other theory of liability) shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to its choice of law principles.

6.2 All notices, communications, agreements, certificates, documents or other instruments executed and delivered after the execution and delivery of this Second Amendment to Security Agreement may refer to the Security Agreement without making specific reference to this Second Amendment to Security Agreement, but nevertheless all such references shall include this Second Amendment to Security Agreement unless the context requires otherwise.

6.3 This Second Amendment to Security Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the Debtors and the Secured Party. The Debtors may not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

6.4 This Second Amendment to Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Delivery by telecopier of an executed counterpart of a signature page to this Second Amendment to Security Agreement or any notice, communication, agreement, certificate, document or other instrument in connection with the Security Agreement shall be effective as delivery of an executed original counterpart thereof.

6.5 The Debtors acknowledge that this Second Amendment to Security Agreement is being delivered to the Secured Party as an inducement for the Secured Party to enter into the Sixth Amendment to Credit Agreement, and the Secured Party may rely upon this Second Amendment to Security Agreement.

*****SIGNATURES APPEAR ON THE FOLLOWING PAGE*****

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Second Amendment to Security Agreement the day and year first above written.

DEBTORS:

WITNESS/ATTEST:

Shawn M. Span

KASGRO RAIL CORP.

By: Jerry Platt
Title: VP

WITNESS/ATTEST:

Shawn M. Span

KASGRO LEASING LLC

By: Jerry Platt
Title: VP

SECURED PARTY:

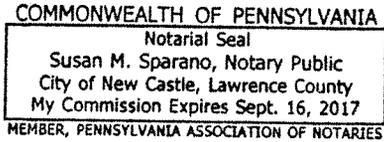
**FIRST NATIONAL BANK OF
PENNSYLVANIA**

By: [Signature]
Title: SVP

STATE OF Pennsylvania)
) ss:
COUNTY OF Lawrence)

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, personally appeared Jeffrey A. Plot who acknowledged himself to be the EXE. VICE PRESIDENT of KASGRO RAIL CORP., a Pennsylvania corporation, and as such EXE. VICE PRESIDENT, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of such corporation as such EXE. VICE PRESIDENT.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 30 day of September, 2014.

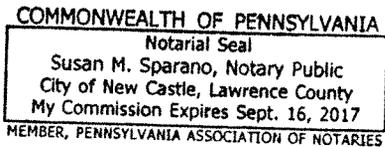


Susan M. Sparano
Notary Public

STATE OF Pennsylvania)
) ss:
COUNTY OF LAWRENCE)

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, personally appeared EXE. VICE PRESIDENT who acknowledged himself to be the EXE. VICE PRESIDENT of KASGRO LEASING, LLC, a Pennsylvania limited liability company, and as such EXE. VICE PRESIDENT, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of such limited liability company as such EXE. VICE PRESIDENT.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 30 day of September, 2014.



Susan M. Sparano
Notary Public

EXHIBIT "A"

TO SECOND AMENDMENT TO SECURITY AGREEMENT

Make: Eight (8) Heavy Duty Flat Railcars

VIN: ALT 110201 formerly KRL 46100

VIN: ALT 170201 formerly KRL 25967

VIN: ALT 225102 formerly KRL 70959

VIN: ALT 225104 formerly KRL 70961

VIN: ALT 110202 formerly KRL 46101

VIN: ALT 225101 formerly KRL 70958

VIN: ALT 225103 formerly KRL 70960

VIN: ALT 225105 formerly KRL 70972