

CLARK HILL

Eric M. Hocky
T 215.640.8523
F 215.640.8501
Email: ehocky@clarkhill.com

Clark Hill PLC
One Commerce Square
2005 Market Street
Suite 1000
Philadelphia, PA 19103
T 215.640.8500
F 215.640.8501
clarkhill.com

November 24, 2014



VIA FEDEX

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: Document for Recordation

Dear Ms. Brown:

I have enclosed an original and two copies of the document described below, to be recorded pursuant to 49 USC § 11301 and 49 CFR Part 1177.

The document is a Memorandum of Security Agreement dated as of November 17, 2014, a primary document.

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

Lender:
South State Bank f/k/a SCBT
Attention: Bill Henderson
1117 Military Cutoff Road
Wilmington, NC 28405

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Borrower:

Baltimore and Annapolis Railroad Company
171 Highway 905
Conway, SC 29526

A description of the equipment covered by the document follows:

The rail cars, locomotives or other rolling stock or accessories used on such railroad cars, locomotive or other rolling stock (including superstructures and racks) ("Rolling Stock") of the Borrower, consisting of the four locomotives of the types and with the reporting marks shown on Attachment 1 to the Memorandum of Security Agreement. The security interest covers the four locomotives, any other Rolling Stock owned by or thereafter acquired by the Borrower.

A fee of \$43.00 is enclosed. Please return an original and any extra copies not needed by the Board for recordation to:

Eric M. Hocky
Clark Hill PLC
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103

A stamped, self-addressed envelope is provided for your convenience.

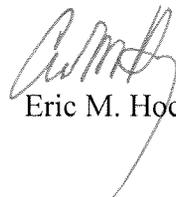
A short summary of the document to appear in the index follows:

Memorandum of Security Agreement dated as of November 17, 2014, between Baltimore and Annapolis Railroad Company ("Borrower"), with an address at 171 Highway 905, Conway, SC 29526, and South State Bank f/k/a SCBT ("Lender"), with an address at Attention: Bill Henderson, 1117 Military Cutoff Road, Wilmington, NC 28405, a primary document, covering the following locomotives: CALA 3617, CALA 2005, CALA 4002, and CALA Unit #100, more fully described in Attachment 1 to the Memorandum of Security Agreement. The security interest covers after acquired Rolling Stock.

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Please let us know if you have any questions regarding this recordation.

Very truly yours,
CLARK HILL PLC


Eric M. Hocky

EMH/dml
Encls.

MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT (the "Memorandum") is made and entered into as of ~~October~~ ^{October} 17, 2014, by and among Baltimore and Annapolis Railroad Company, a Maryland corporation (the "Borrower"), and South State Bank f/k/a SCBT, a South Carolina state banking association (the "Lender"), to secure, inter alia, certain rolling stock identified in that certain Amended Settlement and Security Agreement dated as of November 17, 2014 (the "Security Agreement").

The Borrower and the Lender hereby affirm and acknowledge that the Borrower has entered into the Security Agreement which confirms and renews a prior grant to Lender a security interest in the rail cars, locomotives or other rolling stock, or accessories used on such railroad cars, locomotive or other rolling stock (including superstructures and racks) ("Rolling Stock") of the Borrower as set forth in Attachment 1 to this Memorandum. Except as otherwise expressly agreed, the security interest granted by the Borrower covers all Rolling Stock owned by Borrower as of the date of the Security Agreement [or thereafter acquired by any of them.]

The Security Agreement is effective as of the date first set forth above, and the use of the Rolling Stock shall be subject to the terms and conditions set forth in the Security Agreement.

This Memorandum is being executed for the purpose of being recorded with the Surface Transportation Board.

This Memorandum may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

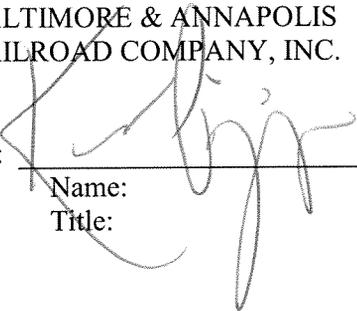
[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

In witness whereof, the parties have caused this Memorandum of Security Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

SOUTH STATE BANK f/k/a SCBT

By: 
Name:
Title:

BALTIMORE & ANNAPOLIS
RAILROAD COMPANY, INC.

By: 
Name:
Title:

ACKNOWLEDGEMENTS

SOUTH STATE BANK f/k/a SCBT

State of North Carolina :
: SS
County of New Hanover :

On this 21st day of November, 2014, before me personally appeared William B. Henderson, to me personally known, who being duly sworn, says that (s)he is the Vice President of SOUTH STATE BANK f/k/a SCBT, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

My commission expires:

December 6, 2017
(SEAL)



BALTIMORE & ANNAPOLIS RAILROAD COMPANY, INC.

State of SEMA ANNA :
: SS
County of Hann :

On this 17th day of November, 2014, before me personally appeared Kenneth A. [unclear], to me personally known, who being duly sworn, says that (s)he is the President of BALTIMORE & ANNAPOLIS RAILROAD COMPANY, INC., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

My commission expires:

7/19/23
(SEAL)

Attachment 1

Locomotives:

CALA 3617-GP-38, Frame # 7065-1

CALA 2005-GP-38, Frame #7060-5

CALA 4002-CP-38, Frame #7191-7

CALA Unit # 100-EMD-GP-18

[Borrower to list any other rolling stock]