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RECORDATION NO. 18022-B FILED 1425
DEC 17 1995 -2 45 PM
INTERSTATE COMMERCE COMMISSION
DONALD E. CROSS (1923-1986)

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BRIAN L. TROIANO
ROBERT A. WIMBISH

BY HAND

December 12, 1995

Ms. Janice Fort
Equipment Recordation Office
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, D.C. 20423

RE: Partial Release of Security Agreement and Security on
Locomotives and Carmover (ICC Recordation Numbers 18022
and 18022-A)
Eric D. Gerst - Secured Party
Octoraro Railway, Inc. - Debtor

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of
49 U.S.C. Section 11303(a) is the following document:

A copy of a Bill of Sale (Pursuant to Section 9-504 of
the Maryland Uniform Commercial Code) by which Eric D. Gerst
(Secured Party by assignment) has terminated his security
interest in certain railroad equipment identified as collateral
in Recordation Numbers 18022 and 18022-A. This document is a
secondary document as defined in the Commission's Rules for
Recordation of Documents under 49 CFR § 1177. The names and
addresses of the parties to this Security Agreement are:

Secured Party: Eric D. Gerst
Two Bala Plaza
Suite 300
Bala Cynwyd, PA 19004

Debtor: Octoraro Railway, Inc.
505 S. Broad Street
Kennet Square, PA 19348

A description of the railroad equipment covered by this
Release is as follows:

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Christy Fort - Robert A. Wimbish

Ms. Janice Fort
December 12, 1995
Page 2

Two (2) EMD model GP-7 locomotives bearing road numbers OCTR 341 (Serial Number 53-D-63) and OCTR 346 (Serial Number S-9135, and as more fully described in Exhibit A of the attached document; one (1) Unimog Case Mercedes-Benz carmover unit bearing serial number 30390.

The subject Security Agreement has been filed with the Interstate Commerce Commission as follows:

Recordation Number 18022
(Assignment recorded under No. 18022-A)

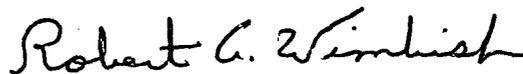
A short summary of the enclosed document to appear in the Commission's index is:

Partial Termination of Security Agreement dated December 4, 1992, between Octoraro Railway, Inc. (debtor) and Eric D. Gerst (secured party by assignment -- See, Recordation Number 18022-A) covering two (2) GP-7 locomotives (OCTR 341 and OCTR 346) and one (1) Unimog Case Mercedes Benz carmover.

A recordation fee of \$21.00 is enclosed.

Please let me know if you need anything else.

Sincerely Yours,


Robert A. Wimbish

Enclosures

cc: Jeff Stoops
Don Redfearn

RECORDATION NO. 18022-B FILED 1495

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PENNSYLVANIA COMMERCE COMMISSION

BILL OF SALE

BILL OF SALE, dated the second day of June, 1995, from Eric D. Gerst, successor-in-interest to The First National Bank of Maryland ("Seller") to RailAmerica, Inc. ("Buyer").

WITNESSETH:

1. Seller has a security interest in all of the equipment set forth on Exhibit "A" attached hereto ("the Assets") of Octoraro Railway, Inc., a Pennsylvania corporation ("Debtor"), and wishes to sell the assets pursuant to Section 9-504 of the Maryland Uniform Commercial Code.

2. Seller has agreed to sell the assets to Buyer and Buyer has agreed to purchase the assets from Seller.

NOW, THEREFORE, in consideration of the delivery by Blank, Rome, Comisky, & McCauley, acting only as Escrow Agent, to Seller or his assignee or nominee, upon Buyer's and Seller's written instructions, of a check drawn on the appropriate Escrow Account, in the amount of One Hundred Twenty Thousand Dollars (\$120,000), and intending to be legally bound hereby, Seller hereby grants, sells, conveys, assigns, transfers, sets over to vest in Buyer, its successors and assigns, without any representations or warranties (except as expressly set forth herein) whether express or implied, including, without limitation, warranties of merchantability or fitness for particular purpose, "AS IS,"

"WHERE IS," all of Debtor's right, title and interest, legal and equitable, in and to all of the Assets TO HAVE AND TO HOLD THE

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SAME UNTO BUYER, its successors and assigns, forever, to its and their own proper use and benefit.

Seller hereby represents to Buyer, its successors and assigns, that Seller is conveying to Buyer good and marketable title, free and clear of any liens and encumbrances.

Seller shall further assist Buyer in effectuating the terms and intent of this Bill of Sale from time to time at Buyer's request and at Buyer's cost, without further consideration, by executing and delivering such further documents and taking such actions as Buyer may reasonably require with respect to the conveyance of title in the Assets from Seller to Buyer.

Buyer acknowledges that Seller has come into the possession of the Assets solely as a secured creditor for purposes of liquidating the Assets and is not in the business of selling the Assets.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be duly executed on the date first above written.



Eric D. Gerst

[SEAL]

AGREED to and ACCEPTED by
RAILAMERICA, INC. this second day
of June, 1995

By: 
Authorized Representative

EXHIBIT A

1. Two (2) EMD GP 7 Diesel Locomotives, 1500 HP, 567 BC engines with Dash Electric System, MU, 26 L Brakes, Serial Nos. 53-D-63 and S-9135, respectively bearing road nos. 341 (EX-ATSF 2202) and 346 (EX-ATSF 2150), together with all accessions, accessories, equipment, appurtenances and replacements appertaining or attached thereto. One (1) wheel set/traction motor set combination for one (1) of the above locomotives. No additional parts shall be part of this purchase.

2. One (1) Unimog Case Mercedes-Benz carmover unit bearing Serial No. 30390.

AFFIDAVIT

City of Washington)
) ss.
District of Columbia)

Robert A. Wimbish, being duly sworn according to the law,
deposes and states as follows:

1. I am submitting for recordation with the Interstate
Commerce Commission the attached document between RailAmerica,
Inc. ("Purchaser") and Eric D. Gerst ("Seller") executed 2 June
1995.

2. I have compared the attached copy with the original
document, and I have found the attached copy to be complete and
identical in all respects to the original document.

Robert A. Wimbish
(Signature)

Robert A. Wimbish
(Printed or Typed)

Subscribed and sworn to before me, a Notary Public, in
and for the City of Washington, District of Columbia, this 12th
day of December, 1995.

My Commission expires:

Lynn Gottschalk
(Notary Public)

LYNN GOTTSCHALK
~~Notary Public, District of Columbia~~
My Commission Expires: November 30, 1999

