

RECORDATION NO. 19549-B, C
FILED

JAN 30 '98

4-05 PM

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January 29, 1998

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

Re: Our File No.: 258-1808

Dear Mrs. Fort:

Enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Amendment to Security Agreement dated and effective as of January 29, 1998 by SRL Partners #1 (955 South Virginia Street, Reno, Nevada 89502) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to the Security Agreement dated as of August 2, 1995 by SRL Partners #1 (955 South Virginia Street, Reno, Nevada 89502) in favor of The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which was recorded with the STB on August 4, 1995 at 12:15 p.m., under Recordation No. 19549.

Also enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Amendment to Assignment of Lessor's Interest in Leases dated and effective as of January 29, 1998, by SRL Partners #1 (955 South Virginia Street, Reno, Nevada 89502) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to the Security Agreement dated as of August 2, 1995 by SRL Partners #1 (955 South Virginia Street,

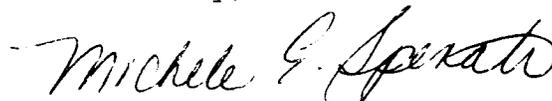
Reno, Nevada 89502) in favor of The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which was recorded with the STB on August 4, 1995 at 12:15 p.m., under Recordation No. 19549.

Also enclosed are two checks in the amount of \$24.00 to cover the costs of recording these documents.

Once these documents have been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. Please call me at (800) 344-2532 if you have any questions.

Sincerely,



Michele E. Sperato
Assistant to John A. Stalfort

Enclosures

AMENDMENT TO SECURITY AGREEMENT

JAN 30 '98

4-05 PM

THIS AMENDMENT TO SECURITY AGREEMENT (this "Amendment"), dated and effective as of January 29, 1998, is by SRL PARTNERS #1, a Nevada limited partnership (the "Pledgor"), and THE FIRST NATIONAL BANK OF MARYLAND (the "Lender").

WHEREAS, Pledgor and Lender are parties to, inter alia, that certain Security Agreement dated August 2, 1995, as the same may be amended, restated, modified or supplemented from time to time (such agreement, as in effect from time to time, the "Security Agreement"; capitalized terms which are used herein without definition and which are defined in the Security Agreement shall have the same meanings herein as in the Security Agreement);

WHEREAS, Southern Rail Leasing, Inc., a Nevada corporation (the "Borrower"), has applied to the Lender for a term loan facility in the principal amount of (the "Loan") pursuant to the provisions of a certain Loan Agreement of even date herewith by and between the Lender and the Borrower (the "Loan Agreement"). The Loan is to be evidenced by, and repaid with interest in accordance with provisions of, a Promissory Note of even date herewith from the Borrower payable to the Lender in the principal amount of the Loan (the "Note"). Pursuant to a Guaranty of Payment dated August 2, 1995, as amended by an Amendment to Guaranty of Payment of even date herewith from the Pledgor to the Lender (collectively, the "Guaranty") from the Pledgor to the Lender, the Pledgor has guaranteed, among other things, the repayment of the Note. The Lender has required, as a condition to the making of the Loan, the execution of this Amendment by the Pledgor;

WHEREAS, the Pledgor and the Lender desire to amend the Security Agreement in order to additionally secure (a) the prompt payment of all past, present, and future indebtedness, liabilities, and obligations of the Pledgor to the Lender of any nature whatsoever in connection with the Guaranty, including, without limitation, the Guaranteed Liabilities (as defined in the Guaranty) (collectively the "Pledgor's Liabilities"), and (b) the performance by the Pledgor of all of the terms, conditions, and provisions of this Amendment, the Loan Agreement, the Note, the Guaranty, and of any other note, security agreement, pledge agreement, guaranty agreement, mortgage, deed of trust, loan agreement, hypothecation agreement, subordination agreement, indemnity agreement, letter of credit application, assignment, or any other document

previously, simultaneously, or hereafter executed and delivered by the Pledgor and/or any other person, singly or jointly with another person or persons, evidencing, securing, guaranteeing, or in connection with any of the Pledgor's Liabilities (collectively, the "Loan Documents");

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendment to the Security Agreement. The parties expressly acknowledge and agree to the following:

a) the term "Financial Accommodations" as used in the Security Agreement shall include the Loan as defined herein.

b) the term "Pledgor's Liabilities" as used in the Security Agreement shall include the Pledgor's Liabilities as defined herein.

c) the term "Loan Documents" as used in the Security Agreement shall include the Loan Documents as defined herein.

2. Filing of Amendment with STB. The Lender shall promptly file two original fully executed, notarized copies of this Amendment with the Surface Transportation Board (the "STB") and deliver to the Pledgor copies hereof stamped by the STB acknowledging recordation pursuant to Section 11301 of Title 40 of the U.S. Code.

3. Effect of Amendment.

(a) Each reference in the Security Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Security Agreement as amended hereby.

(b) Except as specifically amended hereby, the Security Agreement shall remain in full force and effect to the same effect as if this Amendment were originally a part thereof and is hereby ratified and confirmed by the Pledgor and the Lender.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Lender under the Security Agreement.

(d) The execution, delivery and effectiveness of this Amendment shall not operate to release any previously given pledge or assignment of Collateral under the Security Agreement.

4. Governing Law. This Amendment shall be construed and enforced in accordance with and governed by the laws of the State of Maryland.

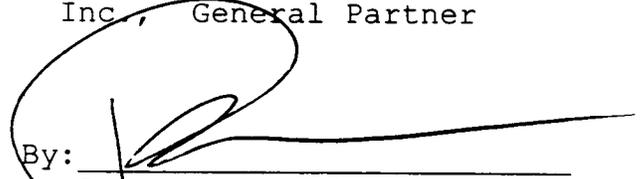
6. Miscellaneous. The headings of each section of this Amendment are for convenience only and shall not define or limit the provisions hereof. If any term of this Amendment shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Amendment shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Pledgor and the Lender have caused this Amendment to be signed, and delivered as of the day and year first written above.

SRL PARTNERS #1

By: Southern Rail Leasing,
Inc., General Partner

By: 
Philip W. Hoffman
Vice President

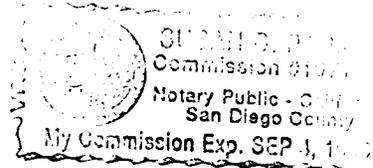
THE FIRST NATIONAL BANK OF
MARYLAND

By: 
Richard M. Folio
Vice President

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

On January 27, 1998, before me, SUSAN D. PARKER personally appeared Philip W. Hoffman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature  (Seal)

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 28th day of January, 1998, before me, the undersigned, a Notary Public of the State of Maryland, personally appeared Richard M. Folio, a Vice President of The First National Bank of Maryland, a national banking association, known (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President of said Bank by signing the name of the Bank by himself as Vice President.

AS WITNESS my hand and Notarial Seal.



Notary Public

(SEAL)

My Commission Expires: 4-99

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STATE OF MARYLAND

SS:

CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Amendment to Assignment of Lessor's Interest in Leases is a true and complete copy of such Amendment to Assignment of Lessor's Interest in Leases.

WITNESS my hand and seal this 29th day of January, 1998.

Michelle S. Sparto
Notary Public

My Commission Expires: January 28, 2001