

LAW OFFICES

**MILES & STOCKBRIDGE**

A PROFESSIONAL CORPORATION

10 LIGHT STREET

BALTIMORE, MARYLAND 21202-1487

TELEPHONE 410-727-6464

FAX 410-385-3700

300 ACADEMY STREET  
CAMBRIDGE, MD 21613-1865

101 BAY STREET  
EASTON, MD 21601-2718

11350 RANDOM HILLS ROAD  
FAIRFAX, VA 22030-7429

30 WEST PATRICK STREET  
FREDERICK, MD 21701-6903

22 WEST JEFFERSON STREET  
ROCKVILLE, MD 20850-4286

600 WASHINGTON AVENUE  
TOWSON, MD 21204-3965

1450 G STREET, N.W.  
WASHINGTON, D.C. 20005-2001

19550-B

August 17, 1995

JOHN A. STALFORT  
410-385-3424

via DHL WORLDWIDE EXPRESS

Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423  
Attention: Mrs. Janice Fort

0100740007

Re: Our File No.: 258-1549

RECEIVED  
OFFICE OF THE  
SECRETARY  
AUG 18 10 22 AM '95  
LICENSING BRANCH

Dear Mrs. Fort:

Enclosed for recordation as a secondary document pursuant to the provisions of 49 §11303 are one original and one notarized copy of the following document:

Amendment to Security Agreement dated August 17, 1995 by Southern Rail Leasing, Inc. (955 South Virginia Street, Reno, Nevada 89502) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to Security Agreement dated August 2, 1995 by Southern Rail Leasing, Inc. (955 South Virginia Street, Reno, Nevada 89502) in favor of The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) recorded with the Interstate Commerce Commission on August 4, 1995 at 12:15 p.m., under Recordation No. 19550.

Also enclosed is a check in the amount of \$21.00 to cover the costs of recordation.

Once this document has been recorded, please return the same to: John A. Stalfort, Esquire, Miles & Stockbridge, A Professional Corporation, 10 Light Street, 9th Floor, Baltimore, Maryland 21202.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (410) 385-3425.

Sincerely,



Michele E. Sperato,  
Secretary to John A. Stalfort

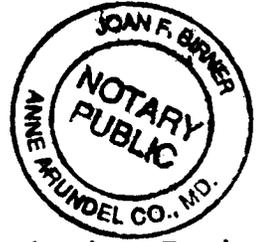
Enclosures

19530-B  
AUG 10 1995 3:22 AM

STATE OF MARYLAND, COUNTY OF ANNE ARUNDEL, TO WIT:

I HEREBY CERTIFY that the attached Amendment to Security Agreement is a true and complete copy of said Amendment to Security Agreement.

WITNESS my hand and seal this 17<sup>th</sup> day of August, 1995.



Joan F. Burner  
Notary Public

My Commission Expires: 6/24/97

19550-B

AMENDMENT TO SECURITY AGREEMENT

THIS AMENDMENT TO SECURITY AGREEMENT, dated and effective as of August 17, 1995, is by SOUTHERN RAIL LEASING, INC. (the "Borrower") and THE FIRST NATIONAL BANK OF MARYLAND (the "Lender").

WHEREAS, Borrower 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); and

WHEREAS, the Borrower and the Lender desire to amend the Security Agreement by subjecting additional collateral to the lien and security interest of the Security Agreement;

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.

(a) Without limiting the scope and meaning of the term "Collateral" as used in the Security Agreement, the parties expressly acknowledge and agree that such term includes the railroad rolling stock described in Exhibit A attached hereto and made a part hereof, and the Borrower hereby grants to the Lender a continuing security interest in such rolling stock.

(b) In addition to the security interests granted to the Lender pursuant to the Security Agreement, as hereby amended, and as a transfer separate and distinct therefrom, the Borrower hereby presently and unconditionally assigns and sets over to the Lender as additional collateral all of its right, title and interest in the Bill of Sale dated August 17, 1995 (the "Bill of Sale") from KND Rail Services, Inc. to the Borrower, including all claims, rights and remedies now existing or hereafter arising of the Borrower under or pursuant to the Bill of Sale, together with full power of authority, in the name of the Borrower, to enforce, collect, receive and receipt for any or all of the foregoing.

2. Ownership of Rolling Stock. The Borrower represents and warrants that it is the sole owner of the equipment described in Exhibit A attached hereto, free from any adverse lien, security interest or encumbrance, except for the security interest created by the Security Agreement, as amended by this Amendment.

3. Filing of Amendment with ICC. The Borrower shall promptly file two original fully executed, notarized copies of this Amendment with the Interstate Commerce Commission (the "ICC") and deliver to the Lender copies hereof stamped by the ICC

acknowledging recordation pursuant to Section 11303 of Title 40 of the U.S. Code.

4. 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 Borrower and the Lender.

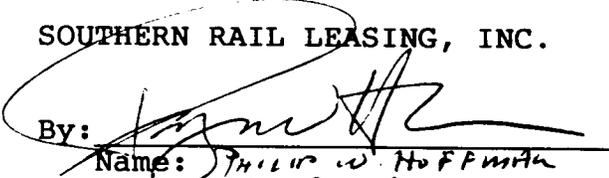
(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Lender under the Security Agreement.

(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.

5. 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.

SOUTHERN RAIL LEASING, INC.

By: 

Name: Phillip W. Hoffmann

Title: Vice President

THE FIRST NATIONAL BANK OF MARYLAND

By: 

Name: Michael J. Cusack

Title: Vice President

STATE OF CALIFORNIA  
COUNTY OF San Diego

On August 14, 1995, before me, Susan D. Parker, personally appeared Phillip 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

Susan D. Parker

(Seal)

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 15th day of August, 1995, before me, the undersigned, a Notary Public of the State of Maryland, personally appeared Michael F. Cusack, the 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 V.P. of said Bank by signing the name of the Bank by himself as V.P.

AS WITNESS my hand and Notarial Seal.

Roger Weaver  
Notary Public

Roger Weaver, Notary Public  
State of Maryland  
Commission expires Jan. 10, 1999

(SEAL)

My Commission Expires:

A:FN154909.AME/S.RailLeasing/Disk1/cmr

Exhibit A

Description of Equipment

Forty-five 100 ton gondola railroad cars, particularly described as follows:

Former Reporting Mark	New Reporting Mark	Car Number	Former Reporting Mark	New Reporting Mark	Car Number
EL	KNDX	44190	CR	KNDX	579643
RDG	KNDX	38902	CR	KNDX	581551
RDG	KNDX	38953	CR	KNDX	583730
RDG	KNDX	38839	CR	KNDX	584227
RDG	KNDX	38972	CR	KNDX	584234
RDG	KNDX	38746	CR	KNDX	584239
RDG	KNDX	39066	CR	KNDX	584241
RDG	KNDX	38841	CR	KNDX	584245
RDG	KNDX	38997	CR	KNDX	584249
RDG	KNDX	38929	CR	KNDX	584268
RDG	KNDX	38954	CR	KNDX	584274
RDG	KNDX	38962	CR	KNDX	584277
RDG	KNDX	38668	CR	KNDX	584295
RDG	KNDX	38607	CR	KNDX	584339
CR	KNDX	559222	CR	KNDX	584379
CR	KNDX	559353	CR	KNDX	584355
CR	KNDX	583736	CR	KNDX	584369
CR	KNDX	566710	CR	KNDX	584374
CR	KNDX	578078	CR	KNDX	584384
CR	KNDX	578573	CR	KNDX	584395
CR	KNDX	578641	CR	KNDX	584464
CR	KNDX	579339	CR	KNDX	584477
			CR	KNDX	584488