

2

LAW OFFICES
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A PROFESSIONAL CORPORATION

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600 WASHINGTON AVENUE
TOWSON, MD 21286

1450 G STREET, N.W.
WASHINGTON, D.C. 20005-4401

19585-A

August 30, 1995

19585

SEP 1 1995 - 10 22 AM

RECORDATION NO.

FILED 1995

INTERSTATE COMMERCE COMMISSION

via DHL WORLDWIDE EXPRESS

SEP 1 1995 - 10 22 AM

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

LICENSING BRANCH

SEP 1 10 16 AM '95

RECEIVED
OFFICE OF THE
SECRETARY

Re: Our File No.: C605-004

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. § 11303 are one original and one notarized copy of the following document:

Financing and Security Agreement dated December 20, 1994 by and between Yorkrail, Inc. (96 S. George Street, 4th Floor, York, Pennsylvania 17401) and The York Bank and Trust Company (P.O. Box 869, York, Pennsylvania 17405-0869)

Also enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. §11303 are one original and one notarized copy of the following document:

Amendment to Financing and Security Agreement dated August 25, 1995 by and between Yorkrail, Inc. (96 S. George Street, 4th Floor, York, Pennsylvania 17401) and The York Bank and Trust Company (P.O. Box 869, York, Pennsylvania 17405-0869) which relates to the Financing and Security Agreement dated December 20, 1994 by and between YorkRail, Inc. (96 S. George Street, 4th Floor, York, Pennsylvania 17401) and The York Bank and Trust Company (P.O. Box 869, York, Pennsylvania 17405-0869) referenced above

I have enclosed two checks to cover the recordation costs, each in the amount of \$21.00.

Once these documents have 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. Please call me at (410) 385-3425 if you have any questions.

Sincerely,

John A. Stalfort/ms
John A. Stalfort

JAS:mes
Enclosures

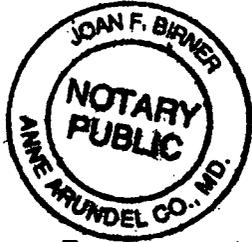
RECORDATION NO. 19585-A FILED 1425

SEP 1 1995 - 10 20 AM

STATE OF MARYLAND, COUNTY OF ANNE ARUNDEL, TO WIT: INTERSTATE COMMERCE COMMISSION

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

WITNESS my hand and seal this 30th day of August, 1995.



Joan F. Birner
Notary Public

My Commission Expires: 6/24/97

SEP 1 1995 - 10 20 AM

AMENDMENT TO FINANCING AND SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT TO FINANCING AND SECURITY AGREEMENT (this "Agreement") is made as of this 25 day of August, 1995, by and between YORKRAIL, INC., a Delaware corporation (the "Borrower"), and THE YORK BANK AND TRUST COMPANY, a Pennsylvania state banking corporation (the "Lender"), witnesseth:

Recitals

A. The Lender made a loan to the Borrower in the principal amount of _____ ("Financial Accommodations") pursuant to the terms and conditions of a Financing and Security Agreement dated December 20, 1994 (the "Financing Agreement"), by and between the Borrower and the Lender and as evidenced by a Promissory Note dated December 20, 1994, from the Borrower payable to the Lender in the principal amount of the Financial Accommodations (the "Note").

B. The Borrower and the Lender desire to amend certain provisions of the Financing Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Lender hereby agree as follows.

1. The facts set forth above are true and accurate in each respect.
2. The Financing Agreement is hereby amended to add the following provision to Article 3 thereof:

As security for the payment of all of the Obligations, the Borrower hereby assigns, grants and conveys to the Lender and agrees that the Lender shall have a perfected security interest in the locomotives described on Exhibit 1 attached hereto and made a part hereof, together with (a) all additions, parts, fittings, accessories, special tools, attachments and accessions now and hereafter affixed thereto and/or used in connection therewith, (b) all replacements thereof and substitutions therefor, and (c) all cash and non-cash proceeds and products thereof.

3. The term "this Agreement" as used in the Financing Agreement shall mean the Financing Agreement as modified herein unless the context clearly indicates or dictates a contrary meaning.

4. The Borrower will execute such confirmatory instruments with respect to the Financing Agreement as the Lender may reasonably require.

5. The Borrower ratifies and confirms all of its existing liabilities and obligations under the Financing Agreement and agrees that, except as expressly modified in this Agreement, the Financing Agreement continues in full force and effect as if set forth specifically herein. The Borrower and the Lender agree that this Agreement shall not be construed as an agreement to extinguish the original obligations under the Financing Agreement or the Note and shall not constitute a novation as to the obligations of the Borrower under the Financing Agreement or the Note.

6. This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Lender. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

7. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be executed under seal as of the date first above written.

ATTEST:

YORKRAIL, INC.

Amy S. Whaner

By: Scott F. Ziegler (SEAL)
Name: Scott F. Ziegler
Title: Vice President and Controller

WITNESS:

THE YORK BANK AND TRUST COMPANY

Terrelline S. March

By: Steven E. Stewart (SEAL)
Name: Steven E. Stewart
Title: Vice President

LOCOMOTIVE SALES

EMONS RAILROAD GROUP, INC. TO YORKRAIL, INC.

EMD GP-9 Road Switcher
Engine #1750 Serial No. 5519-34
1750 H.P.
Built - 1956; Rebuilt - 1990
Brake Equipment - 24 RL
Multiple Unit Capability

EMD GP-9 Road Switcher
Engine #1754 Serial No. 5477-44
1750 H.P.
Built - 1956; Rebuilt - 1991
Brake Equipment - 24 RL
Multiple Unit Capability

EMD GP-9 Road Switcher
Engine # 1752 Serial No.
1750 H.P.
Built - 1956; Rebuilt - 1991
Brake Equipment - 24 RL
Multiple Unit Capability

EMD GP-9 Road Switcher
Engine #1756 Serial NO. 5477-40
1750 H.P.
Built - 1956; Rebuilt - 1992
Brake Equipment - 24 RL
Multiple Unite Capability

LAW OFFICES

MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

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BALTIMORE, MARYLAND 21202-1487

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600 WASHINGTON AVENUE
TOWSON, MD 21204-3965

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

September 4, 1996

RECORDED 19585-B

SEP 5 1996 1:01 PM

RECEIVED
SURFACE TRANSPORTATION
BOARD

SEP 5 4 05 PM '96

JOHN A. STALFORT
410-385-3424

via FEDERAL EXPRESS

Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423
Attention: Mrs. Janice Fort
Recordation

Re: Our File No.: C605-004

Mrs. Fort:

Enclosed for filing 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:

Second Amendment to Financing and Security Agreement dated August 28, 1996 by and among YorkRail, Inc. (96 S. George Street, 4th Floor, York, Pennsylvania 17401) and The York Bank and Trust Company (P.O. Box 869, York, Pennsylvania 17405-0869) which relates to the Financing and Security Agreement dated December 20, 1994 by and between YorkRail, Inc. (96 S. George Street, 4th Floor, York, Pennsylvania 17401) and The York Bank and Trust Company (P.O. Box 869, York, Pennsylvania 17405-0869) recorded with the Interstate Commerce Commission on September 1, 1995 at 10:20 a.m., under Recordation No. 19585.

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, 10 Light Street, 9th Floor, Baltimore, Maryland 21202.

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

Sincerely,



Michele E. Sperato,
Secretary to John A. Stalfort

Enclosures

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

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

WITNESS my hand and seal this 4th day of September, 1996.

Deborah J. Hooper
Notary Public



My Commission Expires: 7/27/98