

**BINGHAM, DANA & GOULD**

150 FEDERAL STREET

BOSTON, MASSACHUSETTS 02110-1726

TELEPHONE: (617) 951-8000

TELEX: 275147 BDGBSN UR

CABLE ADDRESS: BLDGHAM BSN

TELECOPY: (617) 951-8736

WASHINGTON OFFICE  
(202) 822-9320

HARTFORD OFFICE  
(203) 244-3770

LONDON OFFICE  
011-44-171-799-2648

January 6, 1995

0100476005  
BUSINESS EXHIBITION  
JAN 12 12 03 PM '95

**BY MESSENGER**

Interstate Commerce Commission  
Room 2303-2311  
12 Street & Constitution Avenue, N.W.  
Washington, D.C. 20423

17986-A  
RECORDED  
JAN 6 1995 2:14 PM

Attention: Ms. Mildred Lee

Ladies and Gentlemen:

Enclosed for recording with the Commission pursuant to Section 11303 of Title 49 of the U.S. Code are two originals of the fully executed, notarized document described below.

This document is an Amended and Restated Security Agreement, a secondary document dated as of October 28, 1992 and amended and restated as of August 10, 1994, by and between Railco Inc., Chicago West Pullman Transportation Corp., Chicago Rail Link, Chicago, West Pullman & Southern Railroad Company, Manufacturers' Junction Railway Company, Georgia Woodlands Railroad Company, The Newburgh & South Shore Railroad Company, Newburgh Properties, Inc., Chicago Rail Link, L.L.C., Chicago, West Pullman & Southern Railroad, L.L.C., Manufacturers' Junction Railway, L.L.C., Georgia Woodlands Railroad, L.L.C., Kansas Southwestern Railway, L.L.C. and The Newburgh & South Shore Railroad, Ltd. as the debtors (each individually a "Debtor" and collectively the "Debtors") and The First National Bank of Boston, as the secured party (the "Secured Party"), covering each Debtor's rolling stock now owned or hereafter acquired and all other properties and rights of each of the Debtors and which, among other things, adds Chicago Rail Link, L.L.C., Chicago, West Pullman & Southern Railroad, L.L.C., Manufacturers' Junction Railway, L.L.C., Georgia Woodlands Railroad, L.L.C., Kansas Southwestern Railway, L.L.C. and The Newburgh & South Shore Railroad, Ltd. as debtors.

*Countrypart - Garvin Thomas - 534*

Interstate Commerce Commission

January 6, 1995

Page 2

Descriptions of the rolling stock are attached to the Amended and Restated Security Agreement as Schedule 2, as the same may be revised from time to time, but the property covered by the Security Agreement is not limited to that listed in Schedule 2.

The primary document to which this is connected is a Security Agreement dated as of October 28, 1992 and recorded under Recordation No. 17986.

The names and addresses of the parties to the Amended and Restated Security Agreement are as follows: the Debtors are <sup>1</sup>Railco Inc., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, <sup>2</sup>Chicago West Pullman Transportation Corp., whose chief executive office is located at 2728 East 104th Street, Chicago, Illinois 60617-5766, <sup>3</sup>Chicago Rail Link, whose chief executive office is located at 2728 East 104th Street, Chicago, Illinois 60617-5766, <sup>4</sup>Chicago, West Pullman & Southern Railroad Company, whose chief executive office is located at 2728 East 104th Street, Chicago, Illinois 60617-5766, <sup>5</sup>Manufacturers' Junction Railway Company, whose chief executive office is located at 2335 South Cicero Avenue, Cicero, Illinois 60650-2451, <sup>6</sup>Georgia Woodlands Railroad Company, whose chief executive office is located at 122 Union Camp Road, P.O. Box 549, Washington, Georgia 30673-0549, <sup>7</sup>The Newburgh & South Shore Railroad Company, whose chief executive office is located at 4200 East 71st Street, Cleveland, Ohio 44105-5726, <sup>8</sup>Newburgh Properties, Inc., whose chief executive office is located at 4200 East 71st Street, Cleveland, Ohio 44105-5726, <sup>9</sup>Chicago Rail Link, L.L.C., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, <sup>10</sup>Chicago, West Pullman & Southern Railroad, L.L.C., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, <sup>11</sup>Manufacturers' Junction Railway, L.L.C., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, <sup>12</sup>Georgia Woodlands Railroad, L.L.C., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, <sup>13</sup>Kansas Southwestern Railway, L.L.C., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, and <sup>14</sup>The Newburgh & South Shore Railroad, Ltd., whose chief executive office is located at 252 Clayton Street, Suite 400, Denver, Colorado 80206, and the Secured Party is The First National Bank of Boston, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

Included in the property covered by the aforesaid Amended and Restated

Interstate Commerce Commission

January 6, 1995

Page 3

Security Agreement are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned and leased by each Debtor at the date of said Amended and Restated Security Agreement or thereafter acquired by such Debtor or its successors as owners of the lines of railway covered by the Amended and Restated Security Agreement.

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

"An Amended and Restated Security Agreement which amends and restates a Security Agreement with Recordation No. 17986, and which is dated as of August 10, 1994, by and between Railco Inc., Chicago West Pullman Transportation Corp., Chicago Rail Link, Chicago, West Pullman & Southern Railroad Company, Manufacturers' Junction Railway Company, Georgia Woodlands Railroad Company, The Newburgh & South Shore Railroad Company, Newburgh Properties, Inc., Chicago Rail Link, L.L.C., Chicago, West Pullman & Southern Railroad, L.L.C., Manufacturers' Junction Railway, L.L.C., Georgia Woodlands Railroad, L.L.C., Kansas Southwestern Railway, L.L.C. and The Newburgh & South Shore Railroad, Ltd. as the debtors and The First National Bank of Boston as the secured party, covering each debtor's rolling stock and all other properties and rights of each debtor, which amendment and restatement, among other things, adds Chicago Rail Link, L.L.C., Chicago, West Pullman & Southern Railroad, L.L.C., Manufacturers' Junction Railway, L.L.C., Georgia Woodlands Railroad, L.L.C., Kansas Southwestern Railway, L.L.C. and The Newburgh & South Shore Railroad, Ltd. as debtors. Descriptions of the rolling stock are attached to the Amended and Restated Security Agreement as Schedule 2."

Also enclosed is a check in the amount of \$21.00, payable to the Interstate Commerce Commission, to cover the recording fee prescribed by the Commission in its rules and regulations.

Please acknowledge receipt of the enclosed documents at your earliest convenience by stamping and returning to our messenger the enclosed copy of this letter together with the Amended and Restated Security Agreement as filed.

BINGHAM, DANA & GOULD

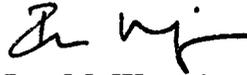
Interstate Commerce Commission

January 6, 1995

Page 4

If you have any questions with respect to the enclosed documents, please call the undersigned collect at (617) 951-8000.

Sincerely,



Ian M. Wenniger

Enclosures

cc: Amy L. Kyle, Esq.

17986-A

JAN 6 1995 -2 15 PM

**AMENDED AND RESTATED SECURITY AGREEMENT**

RAILCO INC.  
CHICAGO WEST PULLMAN TRANSPORTATION CORP.  
CHICAGO RAIL LINK  
CHICAGO, WEST PULLMAN & SOUTHERN RAILROAD COMPANY  
MANUFACTURERS' JUNCTION RAILWAY COMPANY  
GEORGIA WOODLANDS RAILROAD COMPANY  
THE NEWBURGH & SOUTH SHORE RAILROAD COMPANY  
NEWBURGH PROPERTIES, INC.  
CHICAGO RAIL LINK, L.L.C.  
CHICAGO, WEST PULLMAN & SOUTHERN RAILROAD, L.L.C.  
MANUFACTURERS' JUNCTION RAILWAY, L.L.C.  
GEORGIA WOODLANDS RAILROAD, L.L.C.  
KANSAS SOUTHWESTERN RAILWAY, L.L.C.  
THE NEWBURGH & SOUTH SHORE RAILROAD, LTD.

This **AMENDED AND RESTATED SECURITY AGREEMENT**, dated as of October 28, 1992 and amended and restated as of August 10, 1994, is by and among **RAILCO INC.**, a Colorado corporation ("Railco"), **CHICAGO WEST PULLMAN TRANSPORTATION CORP.**, an Ohio corporation ("CWPT"), **CHICAGO RAIL LINK**, an Illinois corporation ("Link"), **CHICAGO, WEST PULLMAN & SOUTHERN RAILROAD COMPANY**, an Illinois corporation ("CWPS"), **MANUFACTURERS' JUNCTION RAILWAY COMPANY**, an Illinois corporation ("MJRC"), **GEORGIA WOODLANDS RAILROAD COMPANY**, an Ohio corporation ("GWRC"), **THE NEWBURGH & SOUTH SHORE RAILROAD COMPANY**, an Ohio corporation ("NSSR"), **NEWBURGH PROPERTIES, INC.**, an Ohio corporation ("Newburgh Properties"), (each of Railco, CWPT, Link, CWPS, MJRC, GWRC, NSSR and Newburgh Properties, collectively, the "Original Borrowers"), **CHICAGO RAIL LINK, L.L.C.**, a Colorado limited liability company ("Link, L.L.C."), **CHICAGO, WEST PULLMAN & SOUTHERN RAILROAD, L.L.C.**, a Colorado limited liability company ("CWPS, L.L.C."), **MANUFACTURERS' JUNCTION RAILWAY, L.L.C.**, a Colorado limited liability company ("MJR, L.L.C."), **GEORGIA WOODLANDS RAILROAD, L.L.C.**, a Colorado limited liability company ("GWR, L.L.C."), **KANSAS SOUTHWESTERN RAILWAY, L.L.C.**, a Colorado limited liability company ("KSR, L.L.C."), **THE NEWBURGH & SOUTH**

**SHORE RAILROAD, LTD.**, a Colorado limited partnership ("NSSR, Ltd.") (each of Link, L.L.C., CWPS, L.L.C., MJR, L.L.C., GWR, L.L.C., KSR, L.L.C. and NSSR, Ltd., collectively, the "Additional Borrowers") and **THE FIRST NATIONAL BANK OF BOSTON** (the "Bank"). Capitalized terms which are used herein without definition and which are defined in the Credit Agreement referred to below shall have the same meanings herein as in the Credit Agreement. The Original Borrowers and the Additional Borrowers shall be referred to herein, collectively, as the "Borrowers" and, individually, a "Borrower".

**WHEREAS**, each of the Original Borrowers and the Bank are parties to that certain Revolving Credit Agreement, dated as of October 28, 1992 (as amended, restated, modified or supplemented and in effect from time to time, the "Credit Agreement"), pursuant to which the Bank has agreed to make revolving credit loans to the Original Borrowers; and

**WHEREAS**, each of the Original Borrowers has granted to the Bank a lien on and security interest in all of its assets in order to secure the payment and performance of the Obligations pursuant to that certain Security Agreement, dated as of October 28, 1992 (the "Original Security Agreement"), among the Original Borrowers and the Bank; and

**WHEREAS**, certain of the Original Borrowers and Kansas Southwestern Railway Company ("KSR"), a subsidiary of MJRC, wish to sell, subject to the Bank's liens and security interests, substantially all of their assets and liabilities to certain of the Additional Borrowers (the foregoing transaction shall be referred to herein as the "Reorganization"); and

**WHEREAS**, the Original Borrowers, the Additional Borrowers and the Bank have entered into Amendment No. 1 to the Credit Agreement, dated as of the date hereof (the "Amendment"), pursuant to which the Bank has consented, on the terms and conditions set forth therein, to the Reorganization and the Additional Borrowers have agreed to be subject to and bound by the Credit Agreement and the other Loan Documents referred to therein; and

**WHEREAS**, the Original Borrowers, the Additional Borrowers and the Bank wish to confirm and grant security interests in favor of the Bank as provided herein;

**NOW, THEREFORE**, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree that the Original Security Agreement is amended and restated in its entirety as follows:

**§1. GRANT OF SECURITY INTEREST.** To secure the due and prompt payment and performance by each of the Borrowers of the Obligations (as defined below), the Borrowers hereby jointly and severally ratify and affirm the grant of security interests made pursuant to the Original Security Agreement and pledge, assign and grant to the Bank a continuing security interest in and lien on all properties, assets and rights of the Borrowers of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, without limitation, all goods, accounts, including all accounts receivable, contract rights, all rights of each Borrower under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, each Borrower's operating certificate from the Interstate Commerce Commission, securities, together with all income therefrom, increases thereunder and proceeds thereof, patents, trademarks, tradenames, copyrights, engineering drawings, service marks, customer lists, books and records, furniture, fixtures, motor vehicles of every kind and description including, without limitation, motor vehicles described on Schedule 1 attached hereto, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements, rolling stock of every kind and description, including, without limitation, the rolling stock described on Schedule 2 attached hereto, locomotives, rail, ties and capital improvements thereon, equipment, maintenance of way equipment, including, without limitation, the maintenance of way equipment described on Schedule 3 attached hereto, inventory and all other capital assets, raw materials, and work in progress (all such properties, assets and rights hereinafter sometimes called, collectively, the "Collateral").

**§2. OBLIGATIONS SECURED.** The Collateral hereunder constitutes and will constitute continuing security for all of the indebtedness, obligations and liabilities of the Borrowers to the Bank and any institutional lender who becomes a participant in or holder of any of the obligations under the Credit Agreement, the Revolving Credit Note and the other Loan Documents and any documents evidencing interest rate protection arrangements among the Borrowers and the Bank, in each case as such instrument was originally executed or as modified, amended, restated, supplemented or extended thereafter, whether such obligations are now existing or hereafter arising, joint or several, direct or indirect, absolute or contingent, due or to become due, matured or unmatured, liquidated or unliquidated, arising by contract, operation of law or otherwise, and all obligations of the Borrowers to the Bank arising out of any extension, refinancing or refunding of any of the foregoing obligations (collectively, the "Obligations").

**§3. PRO RATA SECURITY; APPLICATION OF PROCEEDS OF COLLATERAL.** All amounts owing with respect to the Obligations shall be secured pro rata by the Collateral without distinction as to whether some Obligations are then due and payable and other Obligations are not then due and payable. Upon any realization upon the Collateral by the Bank, whether by receipt of insurance proceeds pursuant to §4(h) or upon foreclosure and sale of all or part of the Collateral pursuant to §8 or otherwise, the Borrowers and the Bank agree that the proceeds thereof shall be applied (i) first, to the payment of expenses incurred with respect to maintenance and protection of the Collateral pursuant to §4 and of expenses incurred pursuant to §12 with respect to the sale of or realization upon any of the Collateral or the perfection, enforcement or protection of the rights of the Bank (including reasonable attorneys' fees and expenses of every kind, including, without limitation, reasonable allocated costs of staff counsel), (ii) second, to all amounts of interest, expenses and fees outstanding which constitute the Obligations; (iii) third, to all amounts of principal outstanding under the Obligations; (iv) fourth, any proceeds remaining after the repayment of all of the Obligations to be paid over to the Borrowers or such other person or persons as may be entitled thereto. The Borrowers shall remain jointly and severally liable for any deficiency remaining unpaid after the application of proceeds in accordance with the foregoing provisions. The Borrowers agree that all amounts received with respect to any of the Obligations, whether by realization on the Collateral or otherwise, shall be applied to the payment of the Obligations in accordance with the provisions of this §3.

**§4. REPRESENTATIONS AND COVENANTS OF THE BORROWERS.**

(a) Real Property. Each Borrower represents to the Bank that the real property listed underneath such Borrower's name on Schedule 4 hereto constitutes all of the real property which such Borrower owns or leases. Each Borrower agrees to notify the Bank of any other real property which such Borrower may hereafter acquire or lease.

(b) Rolling Stock. Each Borrower represents to the Bank that the Rolling Stock (as defined in this §4(b)) listed underneath such Borrower's name on Schedule 2 hereto constitutes all of the Rolling Stock which such Borrower owns or leases. Each Borrower agrees not to change any markings or serial numbers on any of the Rolling Stock listed on Schedule 2 until after such Borrower has given notice in writing to the Bank of its intention to make such change. Each Borrower agrees to notify the Bank of any other Rolling Stock which such Borrower may hereafter acquire or lease. Each Borrower agrees that it will execute and deliver to the Bank supplemental security agreements and other instruments, as referred to in paragraph (j) below of this §4, and file the same in the appropriate recording offices (i) with respect to the Rolling Stock

listed underneath such Borrower's name on Schedule 2 hereto, (ii) at such times as any assignable right, title or interest is acquired in the future by such Borrower in any other Rolling Stock and (iii) at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock listed underneath such Borrower's name on Schedule 2 hereto or on any other Rolling Stock owned or leased by such Borrower. All such supplemental security agreements and other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Bank as evidenced by its written consent thereto. The term "Rolling Stock" as used herein means all rolling stock of every kind and description, locomotives and all other rail cars.

(c) Motor Vehicles. Each Borrower represents and warrants to the Bank and covenants with the Bank that except as permitted by §4(e) hereof, (i) Collateral for which motor vehicle or any other certificate of title is required is listed underneath such Borrower's name on Schedule 1 attached hereto, and such Collateral is titled in the jurisdictions located in the United States of America set forth opposite such portion of the Collateral listed on Schedule 1 hereto and will remain titled in such jurisdictions, and (ii) Collateral for which no certificate of title is required, but for which registration under motor vehicle laws is required, is registered in the jurisdictions located in the United States of America listed underneath such Borrower's name on Schedule 1 and will remain registered in such jurisdictions. Each Borrower further represents and warrants to the Bank that all certificates of title and related applications for title for the Collateral listed underneath such Borrower's name on Schedule 1 have been, or will be within ninety (90) days after the date hereof, endorsed to reflect the security interest granted hereunder to the Bank, and that the original certificates of title and fully executed related applications for certificates of title shall have been delivered to the Bank.

(d) Patents, Trademarks, Copyrights. Each Borrower represents to the Bank that as of the date hereof, except as set forth underneath such Borrower's name on Schedule 5 hereto, it has no right, title or interest in any patent, trademark registrations, copyright registrations or service mark registrations, or in any pending applications for the same and agrees promptly to furnish to the Bank written notice of each such patent, trademark, copyright or service mark registrations, or any applications for same, in which it may hereafter acquire any right, title or interest. Each Borrower shall, on request by the Bank, execute, acknowledge and deliver all such documents and instruments as the Bank may reasonably require to confirm the Bank's security interest in and to any such patent, trademark or service mark registrations, or application for the same as part of such Collateral hereunder and appoints the Bank as such Borrower's attorney-in-fact to execute and file the same.

(e) Location of Chief Executive Offices; Tax Identification Numbers. Railco's chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. CWPT's chief executive office is at 2728 East 104th Street, Chicago, Illinois 60617-5766, at which location its books and records are kept. Link's chief executive office is at 2728 East 104th Street, Chicago, Illinois 60617-5766, at which location its books and records are kept. CWPS's chief executive office is at 2728 East 104th Street, Chicago, Illinois 60617-5766, at which location its books and records are kept. MJRC's chief executive offices are at 2335 South Cicero Avenue, Cicero, Illinois 60650-2451 and at 215 West Dewey, Wichita, Kansas 67202, at which locations its books and records are kept. GWRC's chief executive office is at 122 Union Camp Road, P.O. Box 549, Washington, Georgia 30673-0549, at which location its books and records are kept. NSSR's chief executive office is at 4200 East 71st Street, Cleveland, Ohio 44105-5726, at which location its books and records are kept. Newburgh Properties' chief executive office is at 4200 East 71st Street, Cleveland, Ohio 44105-5726, at which location its books and records are kept. Link, L.L.C.'s chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. CWPS, L.L.C.'s chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. MJR, L.L.C.'s chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. GWR, L.L.C.'s chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. KSR, L.L.C.'s chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. NSSR, Ltd.'s chief executive office is at 252 Clayton Street, Suite 400, Denver, Colorado 80206, at which location its books and records are kept. Railco's federal tax identification number is 84-1207125. CWPT's federal tax identification number is 36-3560693. Link's federal tax identification number is 36-3029368. CWPS's federal tax identification number is 36-6000681. MJRC's federal tax identification number is 36-6001743. GWRC's federal tax identification number is 58-1794661. NSSR's federal tax identification number is 34-1531565. Newburgh Properties' federal tax identification number is 36-3848817. Link, L.L.C.'s federal tax identification number is 36-3969597. CWPS, L.L.C.'s federal tax identification number is 36-3969601. MJR, L.L.C.'s federal tax identification number is 36-3969604. GWR, L.L.C.'s federal tax identification number is 58-2123696. KSR, L.L.C.'s federal tax identification number is 48-1153816. NSSR, Ltd.'s federal tax identification number is 34-1778392. The Borrowers further represent that Schedule 6 hereto is a true and correct list of all localities where property comprising a part of the Collateral (other than interests in real property set forth in Schedule 4) is located. Each Borrower agrees that it will not change its federal tax identification number or the location of its chief executive office or the location where its books and records are kept, except as permitted by §8.15 of the Credit Agreement.

(f) Ownership of Collateral.

(i) The Borrowers represent that they are the owners of the Collateral free from any adverse lien, security interest or encumbrance, except as permitted by §8.2 of the Credit Agreement as such agreement is in effect on the date hereof.

(ii) Except for the security interests herein granted and except as permitted by §8.2 of the Credit Agreement, the Borrowers shall be the owners of the Collateral free of any Lien and the Borrowers shall defend the same against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Bank. Except as otherwise permitted by the Credit Agreement, the Borrowers shall not pledge, mortgage or create or suffer to exist a security interest in the Collateral in favor of any person other than the Bank.

(g) Sale or Disposition of Collateral. Except as permitted by §§8.3 and 8.4 of the Credit Agreement, no Borrower will sell or offer to sell or otherwise transfer the Collateral, any portion thereof, or any interest therein except for sales of inventory in the ordinary course of business.

(h) Insurance. The Borrowers shall have and maintain at all times with respect to the Collateral such insurance as is required by the Credit Agreement, such insurance to be payable to the Bank and to such Borrower as their interests may appear. All policies of insurance shall provide for a minimum of thirty (30) days' prior written cancellation notice to the Bank. In the event of failure to provide and maintain insurance as herein provided, the Bank may, at its option, provide such insurance, and the Borrowers hereby promise to pay to the Bank on demand the amount of any disbursements made by the Bank for such purpose. The Borrowers shall furnish to the Bank certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. The Bank may act as attorney for the Borrowers in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts; and any amounts collected or received under any such policies shall be applied by the Bank to the Obligations in accordance with the provisions of §3, or at the option of the Bank, the same may be released to the Borrowers, but such application or release shall not cure or waive any default hereunder and no amount so released shall be deemed a payment on any Obligation secured hereby.

(i) Maintenance of Collateral. The Borrowers will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon. The Bank may inspect the Collateral at any reasonable time, wherever located. Except as otherwise provided in the Credit

Agreement, the Borrowers will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement. In its discretion, the Bank may discharge taxes and other encumbrances at any time levied or placed on the Collateral which remain unpaid in violation of the Credit Agreement, make repairs thereof and pay any necessary filing fees. The Borrowers agree to reimburse the Bank on demand for any and all expenditures so made, and until paid, the amount thereof shall be a debt secured by the Collateral. The Bank shall have no obligation to the Borrowers to make any such expenditures, nor shall the making thereof relieve the Borrowers of any default.

(j) Creation and Perfection of Lien. The Borrowers represent and warrant to the Bank and covenant with the Bank that this Agreement creates a valid security interest in the Collateral as security for the payment and performance of the Obligations. Upon (i) the filing and recording of this Agreement with the Interstate Commerce Commission (the "ICC") in accordance with §11303 of Title 49 of the United States Code and the rules and regulations thereunder, (ii) the filing of UCC financing statements in the form attached hereto as Exhibit A (the "Financing Statements") under the Uniform Commercial Code as the same may be in effect from time to time in the States of Colorado, Georgia, Illinois, Kansas and Ohio (the "UCC"), naming the appropriate Borrower as debtor and the Bank as secured party, and (iii) the presentation to the Department or Registry of Motor Vehicles of each jurisdiction in which the Collateral is titled, as set forth on Exhibit B attached hereto, of applications for titles with the lien of the Bank noted thereon in the form of Exhibit C attached hereto, all filings, assignments, pledges and deposits of documents or instruments will have been made and all other actions will have been taken that are necessary or advisable, under applicable law, to establish and perfect or to continue the perfection of, as the case may be, the Bank's security interest in such of the Collateral as to which a security interest may be perfected by filing under the UCC, the Interstate Commerce Act of 1887, as amended (the "ICA"), or with such Departments or Registries of Motor Vehicles, and such security interest shall remain prior to all other Liens, except as contemplated by the Credit Agreement. No further filings, recordings or other actions are or will be necessary to maintain the priority of such security interest other than the filing of UCC continuation statements within six months prior to the expiration of a period of five years after the original filing. The Collateral and the Bank's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses. The Borrowers are the owners of the Collateral free from any adverse lien, security interest or encumbrance, except as permitted by the Credit Agreement as such agreement is in effect on the date hereof.

(k) No Further Actions. Except for the filings referred to in paragraph (j) above and as otherwise specified in §4.2 of the Credit Agreement, no

authorization, approval or other action by, and no notice of filing with, any governmental authority or regulatory body or other Person that has not been received, taken or made is required (i) for the grant by the Borrowers of the security interest granted hereby or for the execution, delivery or performance of this Agreement by any Borrower, (ii) for the perfection and maintenance of the security interest hereunder (including the first priority nature of such security interest with respect to Collateral of the Borrowers other than GWRC, and the second priority nature of such security interest with respect to Collateral of GWRC), or (iii) for the exercise by the Bank of the rights or the remedies in respect of the Collateral pursuant to this Agreement.

(l) Accounts Receivable. The Borrowers shall keep or cause to be kept separate records of accounts which are complete and accurate in all material respects, and from time to time upon the request of the Bank, shall deliver to the Bank a list of the names, addresses, face value, and dates of invoices for each debtor obligated on such an account receivable.

(m) Government Contracts. Each Borrower agrees that it shall execute all such documents, and take all such actions, as the Bank shall determine to be necessary or appropriate from time to time under the federal Assignment of Claims Act of 1940, as amended, in order to confirm and assure to the Bank its rights under this Agreement with respect to any and all Collateral consisting of such Borrower's rights to monies due or to become due under any contracts or agreements with or orders from the United States government or any agency or department thereof, the assignment of which is not prohibited by such contract or agreement (collectively, "Government Receivables"). Without limiting the generality of the foregoing, each Borrower agrees that simultaneously with the execution and delivery of this Agreement it shall execute and deliver to the Bank a confirmatory assignment substantially in the form of Exhibit D attached hereto (a "Confirmatory Assignment") with respect to each Government Receivable existing on the date hereof where the aggregate proceeds payable to such Borrower thereunder exceed \$100,000, and within ten Bank Business Days after the creation of any such new Government Receivable, such Borrower shall execute and deliver to the Bank a Confirmatory Assignment with respect thereto. Each Borrower hereby irrevocably authorizes the Bank, or its designee, at such Borrower's expense, to file with the United States government (or the appropriate agency or instrumentality thereof) a notice of each assignment of a Government Receivable substantially in the form of Exhibit E attached hereto (a "Notice of Assignment"), to which a copy of the relevant Confirmatory Assignment may be attached, and appoints the Bank as such Borrower's attorney-in-fact to execute and file any such Confirmatory Assignments, Notices of Assignment and any ancillary documents relating thereto.

(n) Securities. Each Borrower agrees that (i) it shall deliver and pledge to the Bank hereunder those certificates representing the capital stock of any Person held by such Borrower as set forth on Schedule 7 attached hereto, and (ii) it shall forthwith deliver and pledge to the Bank hereunder all certificates representing securities which it shall acquire, whether by purchase, stock dividend, distribution of capital or otherwise, in the case of each of clauses (i) and (ii), together with stock powers or other appropriate instruments of assignment with respect thereto, duly executed in blank. Railco covenants that it shall at all times own 100% of every class of capital stock of CWPT. CWPT covenants that it shall at all times own 100% of every class of capital stock of each Borrower other than Railco or CWPT.

(o) Further Assurances By the Borrowers. Each Borrower agrees to execute and deliver to the Bank from time to time at its request all documents and instruments, including financing statements, supplemental security agreements, notices of assignments under the United States Assignment of Claims Act and under similar or local statutes and regulations, and to take all action as the Bank may reasonably deem necessary or proper to perfect or otherwise protect the security interest and lien created hereby.

**§5. POWER OF ATTORNEY**. (a) The Borrowers acknowledge the Bank's right, to the extent permitted by applicable law, singly to execute and file financing or continuation statements and similar notices required by applicable law, and amendments thereto, concerning the Collateral without execution by any Borrower. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) The Borrowers hereby irrevocably appoint the Bank as each Borrower's attorney-in-fact, effective at all times subsequent to the occurrence of an Event of Default (as defined herein), and during the continuance thereof, with full authority in the place and stead of such Borrower and in the name of such Borrower or otherwise, to take any action and to execute any instrument which the Bank may deem necessary or advisable to accomplish the purpose of this Agreement, including, without limitation, the power and right (i) to endorse any Borrower's name on any checks, notes, acceptances, money orders, drafts, filings or other forms of payment or security that may come into the Bank's possession, and (ii) to do all other things which the Bank then determines to be necessary to carry out the terms of this Agreement. The Borrowers ratify and approve all acts of such attorney-in-fact. The power conferred on the Bank hereunder is solely to protect the Bank's interests in the Collateral and shall not impose any duty upon the Bank to exercise such power.

**§6. SECURITIES AS COLLATERAL**. (a) Upon the occurrence and during the continuance of an Event of Default, the Bank may at any time, at its

option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Subject to the terms and provisions of the Pledge Agreements, if the Bank so elects to exercise its right herein and gives notice of such election to the Borrowers, upon the occurrence and during the continuance of an Event of Default to the extent permitted under applicable law, the Bank may vote any or all of the securities constituting Collateral possessing voting rights (whether or not the same shall have been transferred into its name or the name of its nominee or nominees) and give all consents, waivers and ratifications in respect of the securities constituting Collateral and otherwise act with respect thereto as though it were the outright owner thereof, each Borrower hereby irrevocably constituting and appointing the Bank the proxy and attorney-in-fact of such Borrower, with full power of substitution, to do so. Subject to the terms and provisions of the Pledge Agreements, so long as no Event of Default is continuing, each Borrower shall be entitled to receive all cash dividends paid in respect of the securities of which such Borrower is the registered owner, to vote such securities and to give consents, waivers and ratifications in respect of such securities, provided that no vote shall be cast, or consent, waiver or ratification given or action taken which would be inconsistent with or violate any provisions of any of the Loan Documents or this Agreement.

(b) Except as otherwise provided in the Credit Agreement, any sums paid upon or with respect to any of the securities upon the liquidation or dissolution of the issuer thereof shall be paid over to the Bank to be held by it as security for the Obligations; and in case any distribution of capital shall be made on or in respect of any of the securities or any property shall be distributed upon or with respect to any of the securities pursuant to the recapitalization or reclassification of the capital of the issuer thereof or pursuant to the reorganization thereof, the property so distributed shall be delivered to the Bank to be held by it as security for the Obligations. Except as otherwise provided in the Credit Agreement, all sums of money and property paid or distributed in respect of the securities upon such a liquidation, dissolution, recapitalization or reclassification which are received by any Borrower shall, until paid or delivered to the Bank, be held in trust for the Bank as security for the Obligations.

**§7. ACCOUNTS RECEIVABLE.** Upon the occurrence of a Default or an Event of Default, the Bank may request that debtors on accounts receivable of a Borrower or obligors on accounts, chattel paper or general intangibles of a Borrower or obligors on instruments for which a Borrower is an obligee or lessees or conditional vendees under agreements governing the leasing or selling by conditional sale of Collateral by a Borrower be notified of the Bank's security interest. Until the Bank requests such a notification, the applicable Borrower shall continue to collect payment thereof. Upon the making of such a request by the Bank, such Borrower shall hold the proceeds received from collection as

trustee for the Bank and shall turn the same over to the Bank, or to such other bank as may be approved by the Bank, immediately upon receipt in the identical form received. Upon the occurrence and during the continuance of a Default or an Event of Default, each Borrower shall, at the request of the Bank, notify such account debtors and obligors that payment thereof is to be made directly to the Bank, and the Bank may itself at any time, without notice to or demand upon such Borrower, so notify such account debtors and obligors. The making of such a request or the giving of any such notification shall not affect the duties of each Borrower described above with respect to proceeds of collection of accounts receivable received by such Borrower. The Bank shall apply the proceeds of such collection received by the Bank to the Obligations in accordance with §3 of this Agreement. The application of the proceeds of such collection shall be conditional upon final payment in cash or solvent credits of the items giving rise to them. If any item is not so paid, the Bank in its discretion, whether or not the item is returned, may either reverse any credit given for the item or charge it to any deposit account maintained by such Borrower with the Bank.

**§8. EVENTS OF DEFAULT; REMEDIES.** (a) Upon the occurrence of an Event of Default, whether or not the Obligations are due, the Bank may demand, sue for, collect, or make any settlement or compromise it deems desirable with respect to the Collateral.

(b) An "Event of Default" hereunder shall mean (i) that a representation, warranty or certification made in this Agreement or in any document executed or delivered from time to time relating to this Agreement is materially untrue, misleading or incomplete in its recital of any facts at the time as of which such representation, warranty or certification, as the case may be, is made or (ii) any Event of Default as that term is defined in any of the Loan Documents, whether or not any acceleration of the maturity of the amounts due in respect of any of the Obligations shall have occurred.

(c) Upon the occurrence and during the continuance of an Event of Default, to the fullest extent permitted by applicable law, in addition to the remedies set forth elsewhere in this Agreement:

(i) The Bank shall have, in addition to all other rights and remedies given it by any instrument or other agreement evidencing, or executed and delivered in connection with, any of the Obligations and otherwise allowed by law, the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located and the rights and remedies of a secured party holding a security interest in collateral pursuant to the ICA, and without limiting the generality of the foregoing, the Bank may immediately, without (to the fullest extent permitted by law) demand of performance or advertisement or notice of intention to sell or of time or

place of sale or of redemption or other notice or demand whatsoever, (except that the Bank shall give to the Borrowers at least ten days' notice of the time and place of any proposed sale or other disposition), all of which are hereby expressly waived to the fullest extent permitted by law, sell at public or private sale or otherwise realize upon, in the City of Boston, Massachusetts, or elsewhere, the whole or from time to time any part of the Collateral in or upon which the Bank shall have a security interest or lien hereunder, or any interest which the Borrowers may have therein, and after deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable expenses for legal services, including, without limitation, reasonable allocated costs of staff counsel) as provided in §12, shall apply the residue of such proceeds toward the payment of the Obligations in accordance with §3 of this Security Agreement, the Borrowers remaining jointly and severally liable for any deficiency remaining unpaid after such application. If notice of any sale or other disposition is required by law to be given to the Borrowers, each of the Borrowers and the Bank hereby agrees that a notice given as hereinbefore provided shall be reasonable notice of such sale or other disposition. The Borrowers also agree to assemble the Collateral at such place or places as the Bank reasonably designates by written notice. At any such sale or other disposition the Bank may itself, and any other person or entity owed any Obligation may itself, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Borrowers, which right is hereby waived and released to the fullest extent permitted by law.

(ii) Furthermore, without limiting the generality of any of the rights and remedies conferred upon the Bank under §8(c)(i) hereof, the Bank to the fullest extent permitted by law, may enter upon the premises of the Borrowers or any Borrower, exclude the Borrowers or such Borrower therefrom and take immediate possession of the Collateral, either personally or by means of a receiver appointed by a court therefor, using all necessary force to do so, and may, at its option, use, operate, manage and control the Collateral in any lawful manner and may collect and receive all rents, income, revenue, earnings, issues and profits therefrom, and may maintain, repair, renovate, alter or remove the Collateral as the Bank may determine in its discretion, and any such monies so collected or received by the Bank shall be applied to, or may be accumulated for application upon, the Obligations in accordance with §3 of this Agreement.

(iii) The Bank agrees that it will give notice to the Borrowers of any enforcement action taken by it pursuant to this §8 promptly after commencing such action.

(iv) Each Borrower recognizes that the Bank may be unable to effect a public sale of the securities by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers consistent with all applicable laws. Each Borrower agrees that any such private sales may be at prices and other terms less favorable to such Borrower than if sold at public sales and that such private sales shall not by reason thereof be deemed not to have been made in a commercially reasonable manner. The Bank shall be under no obligation to delay a sale of any of the securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act of 1933, as amended, even if the issuer would agree to do so.

**§9. MARSHALLING.** The Bank shall not be required to marshal any present or future security for (including but not limited to this Agreement and the Collateral subject to the security interest created hereby), or guaranties of, the Obligations or any of them, or to resort to such security or guaranties in any particular order; and all of its rights hereunder and in respect of such securities and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the extent that they lawfully may, the Borrowers hereby agree that they will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Bank's rights under this Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that they lawfully may do so the Borrowers hereby irrevocably waive the benefits of all such laws. Except as otherwise provided by applicable law, the Bank shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the sole custody thereof.

**§10. BORROWERS' OBLIGATIONS NOT AFFECTED.** To the extent permitted by law, the obligations of the Borrowers under this Security Agreement shall remain in full force and effect without regard to, and shall not be impaired by (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Borrower, to the extent permitted by law; (b) any exercise or nonexercise, or any waiver, by the Bank of any right, remedy, power or privilege under or in respect of any of the Obligations or any security therefor (including this Agreement); (c) any amendment to or modification of any instrument evidencing any of the Obligations or pursuant to which any of them were issued; (d) any amendment to or modification of any instrument or agreement (other than this Agreement) securing any of the Obligations; or (e) the taking of additional security for or any guaranty of any of the Obligations or the release or discharge or termination of

any security or guaranty for any of the Obligations; and whether or not the Borrowers shall have notice or knowledge of any of the foregoing.

**§11. NO WAIVER.** No failure on the part of the Bank to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. Each and every right, remedy and power hereby granted to the Bank or the future holders of any of the Obligations or allowed to any of them by law or other agreement, including, without limitation, each of the Loan Documents, shall be cumulative and not exclusive of any other, and, subject to the provisions of this Agreement, may be exercised by the Bank or the future holders of any of the Obligations from time to time.

**§12. EXPENSES.** The Borrowers jointly and severally agree to pay, on demand, all reasonable costs and expenses (including reasonable attorneys' fees and expenses for legal services of every kind, including, without limitation, reasonable allocated costs of staff counsel) of the Bank incidental to the sale of, or realization upon, any of the Collateral or in any way relating to the perfection, enforcement or protection of the rights of the Bank hereunder; and the Bank may at any time apply to the payment of all such costs and expenses all monies of the Borrowers or other proceeds arising from its possession or disposition of all or any portion of the Collateral.

**§13. CONSENTS, AMENDMENTS, WAIVERS.** Any term of this Agreement may be amended, and the performance or observance by the Borrowers of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only in accordance with §20 of the Credit Agreement.

**§14. GOVERNING LAW.** Except as otherwise required by the laws of any jurisdiction in which any Collateral is located, this Agreement shall be deemed to be a contract under seal and shall for all purposes be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

**§15. PARTIES IN INTEREST.** All terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, provided that no Borrower may assign or transfer its rights hereunder without the prior written consent of the Bank. Any assignment or transfer by any of the Borrowers of its rights hereunder in violation of this Agreement shall be void.

**§16. COUNTERPARTS.** This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original,

but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

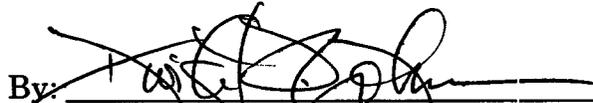
**§17. TERMINATION.** Upon the indefeasible payment in full in cash of the Obligations in accordance with their terms, this Agreement shall terminate and the Bank shall return to the Borrowers, at the expense of the Borrowers, such Collateral in the possession or control of the Bank as has not theretofore been disposed of pursuant to the provisions hereof and shall deliver to the Borrowers documents in recordable form sufficient to discharge the liens and security interests granted hereunder.

**§18. NOTICES.** Except as otherwise expressly provided herein, all notices and other communications made or required to be given pursuant to this Agreement shall be made in accordance with the provisions of §17 of the Credit Agreement.

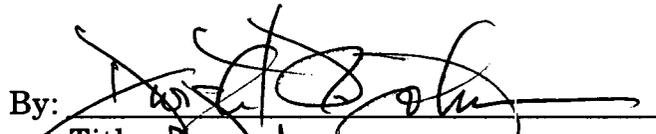
**§19. TRANSITIONAL ARRANGEMENTS.** This Security Agreement shall supercede the Original Security Agreement as of the date hereof. As of the date hereof, the rights and obligations of the respective parties under the Original Security Agreement shall be subsumed within and governed by this Security Agreement; provided that the provisions of the Original Security Agreement shall remain in full force and effect prior to the date hereof, and that the liens granted pursuant to the Original Security Agreement shall continue in full force and effect as set forth in §1 hereof.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date hereof.

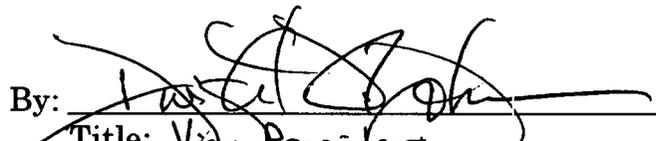
**RAILCO INC.**

By:   
Title: President

**CHICAGO WEST PULLMAN  
TRANSPORTATION CORP.**

By:   
Title: President

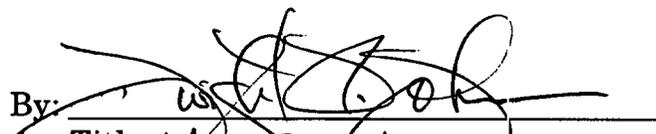
**CHICAGO RAIL LINK**

By:   
Title: Vice President

**CHICAGO, WEST PULLMAN &  
SOUTHERN RAILROAD COMPANY**

By:   
Title: Vice President

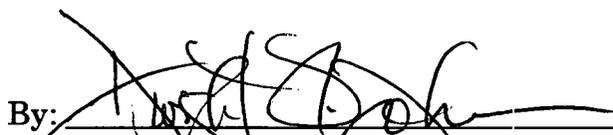
**MANUFACTURERS' JUNCTION  
RAILWAY COMPANY**

By:   
Title: Vice President

**GEORGIA WOODLANDS RAILROAD  
COMPANY**

By:   
Title: Vice President

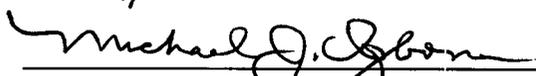
**THE NEWBURGH & SOUTH SHORE  
RAILROAD COMPANY**

By:   
Title: Vice President

**NEWBURGH PROPERTIES, INC.**

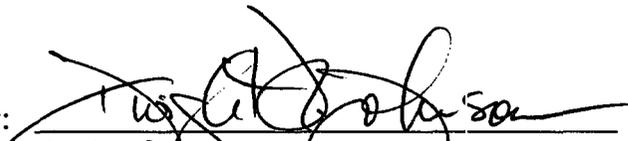
By:   
Title: President

**CHICAGO RAIL LINK, L.L.C.  
CHICAGO, WEST PULLMAN & SOUTHERN  
RAILROAD, L.L.C.  
MANUFACTURERS' JUNCTION RAILWAY,  
L.L.C.  
GEORGIA WOODLANDS RAILROAD, L.L.C.  
KANSAS SOUTHWESTERN RAILWAY,  
L.L.C.**

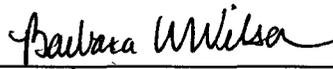
By:   
Michael J. Ogborn, as Manager

**THE NEWBURGH & SOUTH SHORE  
RAILROAD, LTD.**

By: NSR, INC., as its General Partner

By:   
Title: President

**THE FIRST NATIONAL BANK  
OF BOSTON**

By:   
Title: Director

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the President of Railco Inc., that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle D. Deneau  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

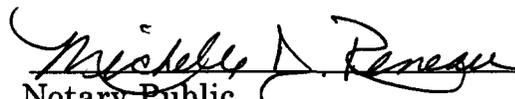
On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the President of Chicago West Pullman Transportation Corp., that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle D. Deneau  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

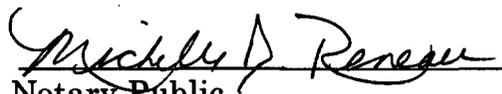
On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of Chicago Rail Link, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of Chicago, West Pullman & Southern Railroad Company, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of Manufacturers' Junction Railway Company, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle J. Reneau  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the President of Newburgh Properties, Inc., that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle J. Reneau  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of Georgia Woodlands Railroad Company, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle D. Reese  
Notary Public (

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the Vice President of The Newburgh & South Shore Railroad Company, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle D. Reese  
Notary Public (

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Michael J. Ogborn, to me personally known, who, being by me duly sworn, says that he is the Manager of each of Chicago Rail Link, L.L.C., Chicago, West Pullman & Southern Railroad, L.L.C., Manufacturers' Junction Railway, L.L.C., Georgia Woodlands Railroad, L.L.C. and Kansas Southwestern Railway, L.L.C., that the said instrument was signed on behalf of said limited liability companies by authority of its members, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said limited liability companies.

Michelle A. Rengau  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

On this 15 day of August, 1994 before me personally appeared Dwight N. Johnson, to me personally known, who, being by me duly sworn, says that [s]he is the President of NSR, Inc., as the General Partner of The Newburgh & South Shore Railroad, Ltd., that the said instrument was signed on behalf of said limited partnership, and [s]he acknowledges that the execution of the foregoing instrument was the free act and deed of said limited partnership.

Michelle A. Rengau  
Notary Public

My commission expires: 6/30/96

COMMONWEALTH OR STATE OF \_\_\_\_\_ )  
 ) ss.

COMMONWEALTH OR STATE OF Massachusetts )  
 ) ss.  
COUNTY OF Suffolk )

On this 12th day of December, 1994 before me personally appeared Barbara W. Wilson, to me personally known, who, being by me duly sworn, says that she is a Director of The First National Bank of Boston, and that she is duly authorized to sign the foregoing instrument on behalf of said banking association, and she acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Christine M. DiFranco  
Notary Public

My commission expires:

CHRISTINE M. DiFRANCO  
NOTARY PUBLIC  
My Commission Expires August 3, 1997

EXHIBIT A

FORM OF UCC FINANCING STATEMENTS

Not included with this filing.

EXHIBIT B

JURISDICTIONS IN WHICH MOTOR  
VEHICLES WILL BE TITLED  
WITH BANK'S LIEN NOTED

Not included with this filing.

EXHIBIT C

FORM OF APPLICATION FOR CERTIFICATES  
OF TITLE

Not included with this filing.

EXHIBIT D

FORM OF CONFIRMATORY ASSIGNMENT OF CONTRACT

This ASSIGNMENT, dated as of \_\_\_\_\_, is by [INSERT NAME OF BORROWER], a \_\_\_\_\_ (the "Debtor") in favor of The First National Bank of Boston.

WHEREAS, the Debtor is party to Contract No. \_\_\_\_\_ dated \_\_\_\_\_ between the Debtor and \_\_\_\_\_ (the "Contract"); and

WHEREAS, the Debtor and the Bank have entered into a certain Security Agreement, dated as of October 28, 1992 and amended and restated as of \_\_\_\_\_, 1994 (as amended and in effect from time to time, the "Security Agreement"), pursuant to which the Debtor has granted to the Bank, a security interest in certain assets of the Debtor, including all of the Debtor's rights in, to and under the Contract, to secure the Obligations referred to in the Security Agreement;

NOW, THEREFORE, the Debtor hereby confirms, acknowledges and agrees that, pursuant to and subject to the terms of the Security Agreement, the Debtor hereby assigns, transfers, pledges and grants to the Bank a security interest in all of the Debtor's right, title and interest in and to all monies due or to become due under the Contract.

EXECUTED as of the date first above written.

[NAME OF BORROWER]

By: \_\_\_\_\_

Title: \_\_\_\_\_

FORM OF NOTICE OF ASSIGNMENT OF  
ACCOUNTS RECEIVABLE AS SECURITY

The First National Bank of Boston

Date:

To: [Contracting Official or Head of  
Agency, and Disbursing Official]

Re: Payments to [INSERT NAME OF BORROWER]  
Contract Number:  
Made by the United States of America  
Department:  
Division:

For:

Dated:

Ladies and Gentlemen:

PLEASE TAKE NOTICE that monies due or to become due to [INSERT NAME OF BORROWER] (the "Debtor") under the contract described above have been assigned to The First National Bank of Boston as security for certain obligations of the Debtor to the Bank, as described more particularly in a Security Agreement (a true and correct copy of which is attached hereto), dated as of October 28, 1992 and amended and restated as of \_\_\_\_\_, 1994, as in effect from time to time. This notice is given pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. §3727).

Payments due or to become due to the Debtor under the contract described above should continue to be made to the Debtor until you receive written notice from the Bank directing that such payments be made to another party.

Please return to the undersigned (in the enclosed, self-addressed stamped envelope) the enclosed extra copy of this notice with appropriate notations showing the date and hour of receipt and duly signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours,

THE FIRST NATIONAL BANK OF BOSTON

By: \_\_\_\_\_

Authorized Official  
100 Federal Street  
Boston, MA 02110

IRREVOCABLY ACKNOWLEDGED AND  
AGREED TO:

[NAME OF BORROWER]

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGMENT OF RECEIPT

Receipt of the above notice and a copy of the Security Agreement described above is hereby acknowledged. These were received at \_\_\_\_ a.m./p.m. on \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Signature

On Behalf of: [Name and Title of  
Addressee of Notice]

SCHEDULE 1

MOTOR VEHICLES

CWPT

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
1988	Oldsmobile	Cutlass	2G3J51W759399093
1987	Oldsmobile	88 Royale	1G3HY5133HW334839

CWP&S

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
None.			

CRL

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
1987	GMC	Rally Wagon	2GKEG2C2N4506934
1988	Chevrolet	S-10 Pickup	1GCCS14R2J2110110
1985	Ford	F-150 Pickup	1FTEX15N7FKA77084
1992	Chevrolet	Pickup	1GCCS14A2N8122254
1981	Chevrolet	Kodiak	1GB57D4N8BV114677
1987	International		D1125FCA24594
1988	Chevrolet		1GDCD14HLJ2134091
1992	GMC	Hirail	1GDKP32K6N3500380
1992	GMC	Hirail	1GDKP32K7N3500467

GWRC

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
1987	Ford	F-250 Pickup	1FTHF251X4NA09656

KSW

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
1989	Ford	Aerostar Van	1FMCA11U1KZC13387
1986	Chevrolet	Suburban	1G8GC26MXGF178270
1981	Chevrolet	C-70 Wheel Truck	1GBS7D4NXBV118889
1982	Ford	F-700 Pickup	1FDPK74NXCVA16894
1987	Chevrolet	C-30 Pickup	1GEGR331C3HS181117
1989	Oldsmobile	88 Royale	1G3HY54C1K1801322
1988	Ford	Pickup	1FTHF25H3JKA43393
1987	Dodge	Ram	3B4GW12T0HM731527
1988	Ford	Pickup	1FTHX25H6JKA08568

1989	Jeep	Grand Wagoneer	1J4GS5872KP106736
1985	Ford	Pickup	1FTHX2517FKB39096
1985	GMC	Pickup	1GDGC33M7FS527984
1986	Chevrolet	Suburban	1G8GC26W1GF198988
1981	Ford	Boom Truck	1FDPK74N9BVJ39453

NSS

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
1985	Ford	Pickup	1FTDF15Y1FLH56606
1973		Dump Truck	10662CHA18624
1980	Dodge	Utility Pickup	D31KTAS135167

MJ

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN Number</u>
1979	Chevrolet	C-20 Pickup	CCL249J124812
1988	Oldsmobile	Cutlass	1G3GR11Y9JP309778

SCHEDULE 2  
ROLLING STOCK

Locomotives

<u>Railroad</u>	<u>Number</u>	<u>Model</u>	<u>Builder</u>
CRL	14	GP-18	EMD
CRL	15	GP-18	EMD
CRL	18	SW-1500	EMD
CRL	19	SW-1500	EMD
CWPS	37	SW-1	
CWPS	43	SW-8	EMD
CWPS	41	SW-8	EMD
CWPS	46	SW-8	EMD
CWPS	45	SW-8	EMD
CWPS	51	SW-9	EMD
GWRC	6584	GP-9	EMD
GWRC	6590	GP-9	EMD
GWRC	6589	GP-9	EMD
MJ	6	SW-1	EMD
MJ	7	SW-1	EMD
NSR	1019	SW-1001	EMD
NSR	1021	SW-1001	EMD
MJ	613	GP-7	EMD
MJ	614	GP-7	EMD
MJ	615	GP-7	EMD
MJ	616	GP-7	EMD
MJ	617	GP-7	EMD
KSW	4542	GP-9	EMD
KSW	4436	GP-9	EMD
KSW	4544	GP-9	EMD
KSW	4912	GP-9	EMD
KSW	4557	GP-9	EMD
KSW	4916	GP-9	EMD
KSW	3801	GP-9	EMD
KSW	3332	GP-9	EMD
KSW	4294	GP-7	EMD
KSW	4298	GP-7	EMD
KSW	4285	GP-7	EMD
KSW	4393	GP-7	EMD
KSW	4381	GP-7	EMD

Box Cars

MJ 2001 - 2025 (except 2008)  
NSS - One Caboose

SCHEDULE 3

MAINTENANCE OF WAY EQUIPMENT

Georgia Woodlands Railroad, L.L.C.

Hyrail Truck  
MofW Equipment  
Miscellaneous

Kansas Southwestern Railway, L.L.C.

MofW Equipment

Vehicles:

- '82 Ford Boom Truck
- '86 Chevy Suburban
- '87 Chevy Pickup Truck
- '82 Case Backhoe  
Econoline 12 Ton Trailer
- '92 Zetor Tractor

Track Equipment

Kershaw 26-2-1 Ballast Regulator  
Geismar MRT-1 Tie Remover/Insert  
RMC Spike Master  
Nordberg DW Bolt Machine  
Jackson 6000 Tamper  
Jackson 2400 Tie Tamper  
Jackson 950 Tie Crane  
Vegetation Mgt. Spray Tank  
Miscellaneous Hand Tools  
Canron TRI Tie Inserter  
Norberg BJ Power Jack Rail Lift

Manufacturers' Junction Railway, L.L.C.

MofW Equipment  
Miscellaneous

The Newburgh & South Shore Railroad, Ltd.

1973 Yale Forklift  
1975 Speed Swing Pettibone  
1975 Lincoln Welder Gas Engine  
1978 Ingersoll Rand Air Compressor  
1974 Motor Car No. 1

SCHEDULE 4

REAL PROPERTY

Chicago Rail Link, L.L.C.: Operates 56.85 miles of track (19.75 miles owned, 37.10 miles of trackage rights) in Cook, LaSalle, Bureau and Will Counties, Illinois.

Chicago, West Pullman & Southern Railroad, L.L.C.: Operates 29.62 miles of track (15.26 miles owned, 14.36 miles of trackage rights) in Cook County, Illinois.

Manufacturers' Junction Railway, L.L.C.: Operates 5.44 miles of track (5.27 miles owned, 0.17 miles of trackage rights) in Cook County, Illinois.

The Newburgh & South Shore Railroad, Ltd.: Operates 12.7 miles of track (12.7 miles owned, 0.0 miles of trackage rights) in Cuyahoga County, Ohio. Owns certain interests in real property in Ohio more particularly described as follows:

Situated in the City of Cleveland, County of Cuyahoga and State of Ohio: And known as being Parcel 1 and Parcel 2 in Lot Split for the Newburgh South Shore Railroad of part of Original 100 Acre Lot No. 310 as shown by the recorded plat in Volume 252 of Maps, Page 86 of Cuyahoga County Records.

Georgia Woodlands Railroad, L.L.C.: Operates 17.1 miles of track (17.1 miles owned, 0.0 miles of trackage rights) in Wilkes, Taliaferro and Warren Counties, Georgia.

Kansas Southwestern Railway, L.L.C.: Operates 298 miles of track (285.1 miles leased, 12.9 miles of trackage rights) in Barber, Harper, Sumner, Sedgwick, Kingman, Reno, Pratt, Stafford and Rice Counties, Kansas.

SCHEDULE 5

PATENTS, TRADEMARKS AND COPYRIGHTS

None.

SCHEDULE 6

COLLATERAL LOCATIONS

Georgia Woodlands Railroad, L.L.C.  
122 Union Camp Road  
Washington, Georgia 30673-0549

Manufacturers' Junction Railway, L.L.C.  
2835 South Cicero Avenue  
Cicero, Illinois 60650-2451

Chicago, West Pullman & Southern Railroad, L.L.C.  
2728 East 104th Street  
Chicago, Illinois 60617-5766

The Newburgh & South Shore Railroad, Ltd.  
4200 East 71st Street  
Cleveland, Ohio 44105-5726

Chicago Rail Link, L.L.C.  
2728 East 104th Street  
Chicago, Illinois 60617-5766

Kansas Southwestern Railway, L.L.C.  
1825 West Harry Street  
Wichita, Kansas 67213

STOCK

Not included with this filing.