

RECORDATION NO. 23297-A FILED

DEC 28 '00 : 1:18 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

December 28, 2000

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

-A

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement, dated as of December 21, 2000, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease which is being filed with the Board under Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Lender: Deutsche Financial Services Corporation
1181 C Lake Cook Road
Deerfield, Illinois 60015

Borrower: Radnor Rail, Ltd.
Suite 112
150 Strafford Avenue
Radnor, Pennsylvania 19087

A description of the railroad equipment covered by the enclosed document is:

Fifty three (53) locomotives with CORP, DGNO, GSWR, IORY, ISRR, MNA, NECR, TPW and WTLR rail marks as shown on the schedule attached hereto

Mr. Vernon A. Williams
December 28, 2000
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A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement, dated as of December 21, 2000, between Deutsche Financial Services Corporation, Lender, and Radnor Rail, Ltd., Borrower, covering Fifty three (53) locomotives with CORP, DGNO, GSWR, IORY, ISRR, MNA, NECR, TPW and WTLR rail marks as shown on the schedule attached hereto.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bjg
Enclosures

SCHEDULE OF LOCOMOTIVES

FIFTY-THREE (53) UNITS

TWO PAGES

Locomotive Number	Type of Locomotive	Operating Road	Reporting Marks	Year Built
1	4003	GP - 40	Missouri Northern Arkansas RR	MNA 1968
2	4004	GP - 40	Missouri Northern Arkansas RR	MNA 1968
3	4005	GP - 40	Georgia Southwestern Railroad	GSWR 1966
4	4006	GP - 40	Missouri Northern Arkansas RR	MNA 1968
5	4007	GP - 40	Missouri Northern Arkansas RR	MNA 1968
6	4008	GP - 40	Indiana & Ohio Railroad	IORY 1968
7	4009	GP - 40	Missouri Northern Arkansas RR	MNA 1968
8	4010	GP - 40	Missouri Northern Arkansas RR	MNA 1968
9	4011	GP - 40	Indiana Southern Railroad	ISRR 1968
10	4016	GP - 40	Dallas, Garland & Northeastern RR	DGNO 1966
11	4017	GP - 40	Dallas, Garland & Northeastern RR	DGNO 1966
12	4018	GP - 40	Dallas, Garland & Northeastern RR	DGNO 1966
13	4020	GP - 40	Toledo, Peoria & Western Railroad	TPW 1971
14	4021	GP - 40	Indiana & Ohio Railroad	IORY 1969
15	4023	GP - 40	Indiana & Ohio Railroad	IORY 1969
16	4024	GP - 40	Indiana & Ohio Railroad	IORY 1970
17	4025	GP - 40	Dallas, Garland & Northeastern RR	DGNO 1968
18	4026	GP - 40	West Texas & Lubbock Railroad	WTLR 1966
19	4027	GP - 40	Georgia Southwestern Railroad	GSWR 1966
20	4028	GP - 40	Georgia Southwestern Railroad	GSWR 1966
21	4029	GP - 40	Dallas, Garland & Northeastern RR	DGNO 1968
22	4030	GP - 40	Indiana & Ohio Railroad	IORY 1969
23	4044	GP - 40	Missouri Northern Arkansas RR	MNA 1968
24	4047	GP - 40	New England Central Railroad	NECR 1970
25	4048	GP - 40	New England Central Railroad	NECR 1969
26	4049	GP - 40	New England Central Railroad	NECR 1971
27	6637	GP - 40	Toledo, Peoria & Western Railroad	TPW 1971
28	6281	SD - 40	New England Central Railroad	NECR 1971
29	4000	GP - 40 CU	Central Oregon & Pacific RR	CORP 1962
30	4001	GP - 40 CU	Central Oregon & Pacific RR	CORP 1962
31	4020	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1966
32	4031	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1971
33	4032	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1968
34	4033	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1971
35	4034	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1971
36	4035	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1970
37	4036	GP - 40 - 1	Indiana & Ohio Railroad	IORY 1971
38	4038	GP - 40 - 1	Indiana Southern Railroad	ISRR 1971
39	4039	GP - 40 - 1	Indiana Southern Railroad	ISRR 1971
40	4040	GP - 40 - 1	Indiana Southern Railroad	ISRR 1971
41	4041	GP - 40 - 1	Indiana Southern Railroad	ISRR 1971

42	4043	GP - 40 - 1	Indiana Southern Railroad	ISRR	1971
43	4050	GP - 40 - 1	Indiana & Ohio Railroad	IORY	1971
44	4051	GP - 40 - 1	Indiana Southern Railroad	ISRR	1971
45	2340	SW - 1500	Pittsburgh Industrial Railroad	PIR	1970
46	2342	SW - 1500	Pittsburgh Industrial Railroad	PIR	1970
47	3814	GP - 38 AC	Indiana Southern Railroad	ISRR	
48	3827	GP - 38 AC	Central Oregon & Pacific RR	CORP	1970
49	3838	GP - 38 AC	Indiana & Ohio Railroad	IORY	1970
50	3841	GP - 38 AC	Virginia Southern	VSRR	1969
51	3842	GP - 38 AC	Virginia Southern	VSRR	1969
52	3857	GP - 38 AC	New England Central Railroad	NECR	1969
53	3818	GP - 38 - 2	Central Oregon & Pacific RR	CORP	1973

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

BETWEEN

**DEUTSCHE FINANCIAL SERVICES CORPORATION
("LENDER")**

AND

**RADNOR RAIL, LTD.
("BORROWER")**

December 21, 2000

Memorandum of Loan and Security Agreement made and entered into as of December 21, 2000, by and between Deutsche Financial Services Corporation, a Nevada Corporation ("Lender"), and Radnor Rail, a Pennsylvania Corporation ("Borrower").

WITNESSETH:

To secure all obligations of the Borrower under a certain Loan and Security Agreement dated as of December 21, 2000 (the "Loan Agreement"), and that certain Promissory Note dated on or near the same date, Borrower hereby assigns to Lender all of Borrower's rights, title and interest in, the locomotives set forth and described on the Schedule of Locomotives attached hereto (the locomotives on the aforementioned Schedule of Locomotives shall hereinafter be called the "Locomotives"), as such Schedule of Locomotives may be amended from time to time, and grants to Secured Party a first priority security interest in: (i) the Locomotives; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Locomotives listed on or hereinafter added to the Schedule of Locomotives, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Locomotives, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Locomotives; (iv) that certain lease of the Locomotives as evidenced by that certain Master Lease dated on or about December 28, 2000, by and between Borrower and RailTex, Inc. a Texas corporation and Schedule 1 thereto, of the same date (said Master Lease and Schedule 1 shall hereinafter be, together, the "Lease"), and all other leases, bills of sales or other similar documents, chattel paper, agreements, accounts, and instruments relating to the Locomotives, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under Documentary Security including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder; and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Locomotives, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Loan and Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Loan and Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES
CORPORATION, as Lender



By: Patrick J. Mazzanti _____

Title: Assistant Vice President _____

Date: 12/21/00 _____

RADNOR RAIL, LTD.
as Borrower

By: _____

Title: _____

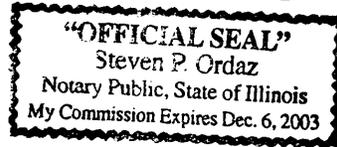
Date: _____

STATE OF ILLINOIS)
COUNTY OF COOK) ss.

On this 21st day of December, 2000, before me personally appeared PATRICK J. MAZZANTI, to me personally known, who being by me duly sworn, says that he is the ASSISTANT V. P. of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Steven P. Ordaz
NOTARY PUBLIC

My commission expires: 12/6/03



STATE OF _____)
COUNTY OF _____) ss.

On this ___ day of December, 2000, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Radnor Rail, Ltd., a Pennsylvania corporation that the foregoing instrument was signed on behalf of Radnor Rail, Ltd., and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES CORPORATION, as Lender

By:

Title:

Date:

RADNOR RAIL, LTD.
as Borrower

By: 

Title: President

Date: 12/22/00

STATE OF)
) ss.
COUNTY OF)

On this ___ day of December, 2000, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires:

STATE OF) *Pennsylvania*
) ss.
COUNTY OF) *Delaware*

On this *22nd* day of December, 2000, before me personally appeared *Kent S. Zehner* to me personally known, who being by me duly sworn, says that he is the *President* of Radnor Rail, Ltd., a Pennsylvania corporation that the foregoing instrument was signed on behalf of Radnor Rail, Ltd., and he acknowledged that the execution of the said instrument was his free act and deed.

Karen W. Maffei

NOTARY PUBLIC

My commission expires:

Notarial Seal
Karen W. Maffei, Notary Public
Radnor Twp., Delaware County
My Commission Expires Dec. 4, 2004

Member, Pennsylvania Association of Notaries

**SCHEDULE OF LOCOMOTIVES
TO MEMORANDUM OF LOAN AND SECURITY AGREEMENT
FIFTY-THREE (53) UNITS
TWO PAGES**

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