

RECORDATION NO. 23297-B FILED

DEC 28 '00 : 1-28 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1600 K STREET, NW
SUITE 200
WASHINGTON, D.C.
20006-2973

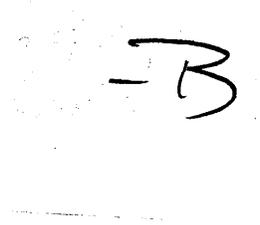
 (202) 393-2266
FAX (202) 393-2156

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



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 Assignment of Leases and Rents, 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:

Secured Party: 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 to the Memorandum of Loan and Security Agreement.

Mr. Vernon A. Williams
December 28, 2000
Page 2

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

Memorandum of Assignment of Leases and Rents, dated as of December 21, 2000, between Deutsche Financial Services Corporation, Secured Party, 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 to the Memorandum of Loan and Security Agreement.

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

MEMORANDUM OF ASSIGNMENT
OF LEASES AND RENTS
BETWEEN

DEUTSCHE FINANCIAL SERVICES CORPORATION
("SECURED PARTY")

AND

RADNOR RAIL, LTD.
("BORROWER")

December 21, 2000

RECORDATION NO. 23297-B FILED

DEC 28 '00 1:28 PM

SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment of Lease is hereby entered into as of this 21st day of December, 2000 by and between Deutsche Financial Services Corporation, a Nevada Corporation ("Lender"), and Radnor Rail, Ltd., a Pennsylvania Corporation ("Borrower").

WITNESSETH:

The Borrower hereby sells, assigns, transfers and sets over unto Deutsche Financial Services Corporation (hereinafter, the "Lender"), all of the Borrower's right, title and interest in and to the lease of locomotives as evidenced by that certain Master Lease dated on or about December 29, 2000, by and between Borrower and RailTex, Inc. a Texas corporation (hereinafter, "Lessee") and Schedule 1 thereto, of the same date (said Master Lease and Schedule 1 shall hereinafter be, together, the "Lease") with respect to those certain locomotives identified on the attached Schedule "A" hereto (the "Locomotives"), and all rents, renewal rents, proceeds of settlement for the Locomotives which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Borrower to the Lender as provided for in the Loan and Security Agreement dated on or about December 21, 2000 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in full by the Borrower to the Lender of any and all indebtedness of the Borrower to the Lender arising under the Agreement and the Promissory Notes.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

This Memorandum of Assignment of Lease and Rents may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Assignment of Lease and Rents.

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

DEUTSCHE FINANCIAL SERVICES CORPORATION
as Lender

By:  _____

Name: Patrick J. Mazzanti

Title: Assistant Vice President

RADNOR RAIL, LTD.
as Borrower

By: _____

Name: _____

Title: _____

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

DEUTSCHE FINANCIAL SERVICES CORPORATION
as Lender

By: _____

Name: Patrick J. Mazzanti

Title: Assistant Vice President

RADNOR RAIL, LTD.
as Borrower

By: 

Name: Kent S. Zehner

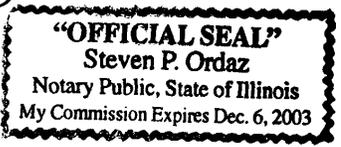
Title: President

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 21st day of February, 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.

NOTARY PUBLIC: *Steven P. Ordaz*

My commission expires: 12/6/03



STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of February, 2000, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of RADNOR RAIL, LTD., that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC: _____

My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ___ day of February, 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: _____

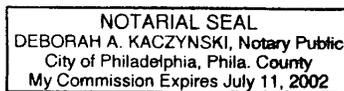
My commission expires: _____

Commonwealth of
STATE OF *Pennsylvania*)
) ss.
COUNTY OF *Philadelphia*)

On this *21ST* 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., that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC: *Deborah A. Kaczynski*

My commission expires: *July 11, 2002*



SCHEDULE "A"
 To Memorandum of Assignment of Lease and Rents
 SCHEDULE OF LOCOMOTIVES
 Two Pages
 Fifty-three (53) Units

	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