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**Thomas & Libowitz, P.A.**

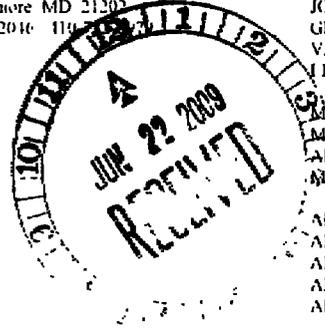
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**SURFACE TRANSPORTATION BOARD**

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June 17, 2009

**VIA CERTIFIED MAIL—RETURN RECEIPT REQUESTED**Secretary, Surface Transportation Board  
395 E. Street, SW  
Washington, DC 20423-0001

Dear Secretary:

I, the undersigned attorney in fact to the Creditor identified below, have enclosed an original and one copy of the primary document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a security agreement (the "Security Agreement"), a primary document, dated April 30, 2009.

The names and addresses of the parties to the documents are as follows:

Debtor:

Georges Creek Railway, LLC  
Attn: Gerald W. Altizer  
121 Main Street  
Westport, Maryland 21562

Creditor:

J. Duncan Smith  
c/o Sinclair Broadcasting Group, Inc.  
10706 Beaver Dam Road  
Cockeysville, Maryland 21030

A description of the collateral covered by the document follows:

The collateral is one Electro Motive Diesel locomotive K&K39, Serial Number 23270, Frame Number 5537-1 (the "Locomotive"). The Locomotive was manufactured April 1957.

Name Surface Transportation Board

June 17, 2009

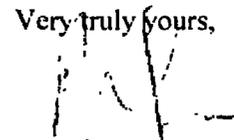
Page 2

A fee of Forty-One and No/100 Dollars (\$41.00) is enclosed. Please return the original and any extra copies not needed by the Board for recordation to Munachi O. Nsofor, Esquire, c/o Thomas & Libowitz, P.A., 100 Light Street, Suite 1100, Baltimore, Maryland 21202.

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

The Security Agreement, dated April 30, 2009, secures the Creditor's interest in the Locomotive.

Very truly yours,



Munachi O. Nsofor

JUN 22 '09

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**SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

This Security Agreement (this "Agreement") is made as of this 30 day of April, 2009, by Georges Creek Railway, LLC, a Maryland limited liability company (the "Pledgor"), in favor of J. Duncan Smith (the "Lender"): witnesseth:

**Recitals**

The Pledgor has secured from the Lender for a loan in the principal amount of Seventy-Seven Thousand Five Hundred and No/100 Dollars (\$77,500.00) (the "Financial Accommodations") pursuant to the provisions of a certain Demand Promissory Note of even date herewith by and between the Lender and the Pledgor (the "Note"). The Financial Accommodations are to be evidenced by, and repaid with interest in accordance with provisions of the Note. The Lender has required, as a condition to the making of the Financial Accommodations, the execution of this Agreement by the Pledgor.

NOW, THEREFORE, in order to secure (a) the prompt payment of all past, present, and future indebtedness, liabilities, and obligations of the Pledgor to the Lender of any nature whatsoever in connection with the Financial Accommodations (the "Pledgor's Liabilities"), and (b) the performance by the Pledgor of all of the terms, conditions, and provisions of this Agreement and the Note, or any other document previously, simultaneously, or hereafter executed and delivered by the Pledgor and/or any other person, singly or jointly with another person or persons, evidencing, securing, guaranteeing, or in connection with any of the Pledgor's Liabilities (collectively, the "Loan Documents"), the Pledgor agrees with the Lender as follows:

1. **Collateral.** The Pledgor hereby grants to the Lender a security interest in the following property of the Pledgor:

A. **The Locomotive.** An Electro Motive Diesel locomotive, model K&K, Serial Number 23270, Frame Number 5537-1 (the "Locomotive"). The Locomotive was manufactured in April 1957. The Locomotive, together with (i) all additions, parts, fittings, accessories, special tools, attachments, and accessions now and hereafter affixed thereto and/or used in connection therewith, (ii) all replacements thereof and substitutions therefor, and (iii) all cash and non-cash proceeds and products thereof. The term "proceeds" as used herein shall have the meaning set forth in Section 9-102 of the Maryland Uniform Commercial Code, as amended.

B. **Other.** The Locomotive and all products and cash and non-cash proceeds thereof.

The term "Collateral" as used herein means each and all of the items of Collateral described above and the term "proceeds" as used herein includes, without limitation, the proceeds of all insurance policies covering all or any part of such items of Collateral.

2. **Payment and Performance.** The Pledgor will pay amounts owed under the Note as and

when due and payable and will perform, comply with, and observe the terms and conditions of the Loan Documents to be performed, complied with, and observed by the Pledgor.

3. ***Title to Collateral.*** The Pledgor represents and warrants that it is the owner of the Collateral and has good and marketable title to the Collateral free and clear of all liens, security interests, and other encumbrances except for those in favor of the Lender and those previously disclosed in writing to the Lender.

4. ***Further Assurances.*** The Pledgor will defend its title to the Collateral against all persons and will, upon request of the Lender, (a) furnish such further assurances of title as may be required by the Lender, and (b) authorize deliver in form and content satisfactory to the Lender, any financing, continuation, termination, or security interest filing statement, security agreement, or other document as the Lender may request in order to perfect, preserve, maintain, or continue the perfection of the Lender's security interest in the Collateral and/or its priority. The Pledgor will pay the costs of filing any financing, continuation, termination, or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. A carbon, photographic, or other reproduction of a security agreement or a financing statement is sufficient as a financing statement.

5. ***Transfer and Other Liens.*** The Pledgor will not sell, lease, transfer, exchange, or otherwise dispose of the Collateral, or any part thereof, without the prior written consent of the Lender and will not permit any lien, security interest, or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of the Lender or those permitted by the Lender in writing.

6. ***Financial Statements, Books and Records.*** The Pledgor will (a) at all times maintain, in accordance with generally accepted accounting principles, accurate and complete books and records pertaining to the operation, business, and financial condition of the Pledgor, (b) furnish to the Lender promptly upon request, and in the form and content and at the intervals specified by the Lender, such financial statements, reports, schedules, and other information with respect to the operation, business affairs, and financial condition of the Pledgor as the Lender may from time to time require, (c) at all reasonable times and without hindrance or delay, permit the Lender or any person designated by the Lender to enter any place of business of the Pledgor or any other premises where any books, records, and other data concerning the Pledgor and/or the Collateral may be kept and to examine, audit, inspect, and make extracts from and photocopies of any such books, records, and other data, and (d) mark its books and records in a manner satisfactory to the Lender so that the Lender's rights in and to the Collateral will be shown.

7. ***Name of Pledgor, Place(s) of Business, and Location of Collateral.*** The Pledgor represents and warrants that its correct legal name is as specified on the signature lines of this Agreement. Without the prior written consent of the Lender, the Pledgor will not change its name, dissolve, merge, or consolidate with any other person. The Pledgor warrants that the address of the Pledgor's business address is as specified below the signature lines of this Agreement. The

Collateral and all books and records pertaining to the Collateral have been, are, and will be located at the Pledgor's business address, specified herein, or at any other place of business which may be mutually agreed upon by the parties. The Pledgor will immediately advise the Lender in writing of the opening of any new place of business and of any change in the location of the place(s) where the Collateral, or any part thereof, or the books and records concerning the Collateral, or any part thereof, are kept.

8. **Care of Collateral.** The Pledgor will maintain the Collateral in good condition and will not do or permit anything to be done to the Collateral that may impair its value or that may violate the terms of any insurance covering the Collateral or any part thereof. The Lender shall have no duty to, and the Pledgor hereby releases the Lender from, all claims for loss or damage caused by the failure to collect or enforce any account or chattel paper or to preserve rights against prior parties to the Collateral.

9. **Insurance.** The Pledgor will insure such of the Collateral as specified by the Lender against such casualties and risks (including casualty, public liability, and property damage risks) in such form and amount as may from time to time be required by the Lender and shall name Lender as an "additional insured" in all such insurance policies. All casualty and similar insurance proceeds shall be payable to the Lender and all policies of insurance shall be furnished to the Lender. The Pledgor will pay all premiums due or to become due for such insurance and hereby assigns to the Lender any returned or unearned premiums which may be due upon cancellation of insurance coverage. The Lender is hereby irrevocably (a) appointed the Pledgor's attorney-in-fact (which appointment is coupled with an interest) to endorse any draft or check which may be payable to the Pledgor in order to collect such returned or unearned premiums or the proceeds of insurance and (b) authorized to apply such insurance proceeds in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to Section 19 hereof.

10. **Taxes.** The Pledgor will pay as and when due and payable all taxes, levies, license fees, assessments, and other impositions levied on the Collateral or any part thereof or for its use and operation.

11. **Specific Assignments.** Promptly, upon request by the Lender, the Pledgor will execute and deliver to the Lender written assignments, endorsements, and/or schedules, in form and content satisfactory to the Lender, of specific chattel paper and accounts or groups of accounts or chattel paper, but the security interest of the Lender hereunder shall not be limited in any way by such assignments. Such accounts and chattel paper are to secure payment of the Pledgor's Liabilities and performance of the Loan Documents and are not sold to the Lender whether or not any assignment thereof which is separate from this Agreement is in form absolute.

12. **Delivery, etc., of Chattel Paper.** The Pledgor will promptly upon request by the Lender deliver, assign, and endorse to the Lender all chattel paper and all other documents held by the Pledgor in connection therewith.

13. **Government Contracts.** If any account or chattel paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Pledgor shall immediately notify the Lender thereof in writing and execute any instruments or take any steps required by the Lender in order that all moneys due or to become due under such contract or contracts shall be assigned to the Lender and notice thereof given under the Federal Assignment of Claims Act.

14. **Collateral Account.** If all or any part of the Collateral at any time consists of inventory, accounts, or chattel paper, the Pledgor will, upon the request of the Lender at any time and from time to time both prior to and after the occurrence of an Event of Default hereunder, deposit or cause to be deposited to a bank account designated by the Lender and from which the Lender alone has power of access and withdrawal (the "Collateral Account") all checks, drafts, cash, and other remittances in payment or on account of payment of such inventory, accounts, or chattel paper and the cash proceeds of any returned goods, the sale or lease of which gave rise to an account or chattel paper (all of the foregoing herein collectively referred to as "Items of Payment"). The Pledgor shall deposit the Items of Payment for credit to the Collateral Account within two (2) business days of the receipt thereof, and in precisely the form received, except for the endorsement of the Pledgor where necessary to permit the collection of the Items of Payment, which endorsement the Pledgor hereby agrees to make. Pending such deposit, the Pledgor will not commingle any of the Items of Payment with any of its other funds or property but will hold them separate and apart.

15. **Rights of Lender and Duties of Pledgor.** If all or any part of the Collateral at any time consists of inventory, accounts, or chattel paper, (a) the Lender may at any time and from time to time both prior to and after the occurrence of an Event of Default hereunder, and the Pledgor hereby irrevocably appoints the Lender as its attorney-in-fact (which appointment is coupled with an interest), with power of substitution, in the name of the Lender or in the name of the Pledgor or otherwise, for the use and benefit of the Lender, but at the cost and expense of the Pledgor and without notice to the Pledgor, (i) notify the account debtors obligated on any of the Collateral to make payments thereon directly to the Lender, and to take control of the cash and non-cash proceeds of any such Collateral; (ii) charge to any banking account of the Pledgor with the Lender any Item of Payment credited to the Collateral Account which is dishonored by the drawee or maker thereof; (iii) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iv) release, make exchanges or substitutions for, or surrender all or any part of the Collateral; (v) remove from the Pledgor's place of business all books, records, ledger sheets, correspondence, invoices, and documents relating to or evidencing any of the Collateral or, without cost or expense to the Lender, make such use of the Pledgor's place(s) of business as may be reasonably necessary to administer, control, and collect the Collateral; (vi) repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor; (vii) demand, collect, receipt for, and give renewals, extensions, discharges, and releases of any of the Collateral; (viii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (ix) settle, renew, extend, compromise, compound, exchange, or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect

thereto; (x) endorse the name of the Pledgor upon any Items of Payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor; and (xi) receive and open all mail addressed to the Pledgor and, if an Event of Default exists hereunder, notify postal authorities to change the address for the delivery of mail to the Pledgor to such address as the Lender may designate; and (b) the Pledgor will (i) make no material change to the terms of any sale or lease of inventory or of any account or chattel paper without the prior written permission of the Lender; (ii) on demand, make available in form acceptable to the Lender shipping documents and delivery receipts evidencing the shipment of goods which gave rise to the sale or lease of inventory or of an account or chattel paper, completion certificates, or other proof of the satisfactory performance of services which gave rise to the sale or lease of inventory or of an account or chattel paper, copies of the invoices arising out of the sale or lease of inventory or for an account, and the Pledgor's copy of any written contract or order from which the sale or lease of inventory, an account, or chattel paper arose; and (iii) when requested, regularly advise the Lender whenever an account debtor returns or refuses to retain any goods, the sale or lease of which gave rise to an account or chattel paper, and of any delay in delivery or performance, or claims made, in regard to any sale or lease of inventory, account, or chattel paper, and will comply with any instructions which the Lender may give regarding the sale or other disposition of such returns.

**16. Performance by Lender.** If the Pledgor fails to perform, observe, or comply with any of the conditions, terms, or covenants contained in this Agreement, the Lender, without notice to or demand upon the Pledgor and without waiving or releasing any of the Pledgor's Liabilities or any Event of Default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms, or covenants for the account and at the expense of the Pledgor, and may enter upon any place of business or other premises of the Pledgor for that purpose and take all such action thereon as the Lender may consider necessary or appropriate for such purpose. All sums paid or advanced by the Lender in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") together with interest thereon at a per annum rate of interest which is equal to the then highest rate of interest charged on the principal of any of the Pledgor's Liabilities, plus one percent (1%) per annum, from the date of payment until repaid in full, shall be paid by the Pledgor to the Lender on demand and shall constitute and become a part of the Pledgor's Liabilities secured hereby.

**17. Default.** The occurrence of any one or more of the following events shall constitute an event of default (an "Event of Default") under this Agreement: (a) failure of the Pledgor to pay any of the Pledgor's Liabilities as and when due and payable; (b) failure of the Pledgor to perform, observe, or comply with any of the provisions of this Agreement or of the Note; (c) the occurrence of an Event of Default (as defined therein) under the Note; (d) if any information contained in any financial statement, application, schedule, report, or any other document given by the Pledgor or by any other person in connection with the Pledgor's Liabilities, with the Collateral, or with any of the Loan Documents is not in all respects true and accurate or if the Pledgor or such other person omitted to state any material fact or any fact necessary to make such information not misleading; (e) if the Pledgor is generally not paying debts as such debts become due; (f) the filing of any petition

for relief under the Bankruptcy Code or any similar Federal or state statute by or against the Pledgor; (g) an application for the appointment of a receiver for, the making of a general assignment for the benefit of creditors by, or the insolvency of the Pledgor; (h) the dissolution, merger, consolidation, or reorganization of the Pledgor; (i) the determination in good faith by the Lender that a material adverse change has occurred in the financial condition of the Pledgor from the financial condition of the Pledgor as heretofore most recently disclosed to the Lender in any manner; or (j) the determination in good faith by the Lender that the prospect of payment of any of the Pledgor's Liabilities is impaired for any reason.

18. ***Rights and Remedies upon Default.*** Upon the occurrence of an Event of Default hereunder (and in addition to all of its other rights, powers, and remedies under this Agreement), the Lender may, at its option, and without notice to the Pledgor, declare the unpaid balance of the Pledgor's Liabilities to be immediately due and payable. The occurrence or non-occurrence of an Event of Default shall in no manner impair the ability of the Lender to demand payment of any portion of the Pledgor's Liabilities which are payable on demand. The Lender shall have all of the rights and remedies of a secured party under the Maryland Uniform Commercial Code and other applicable laws. Upon the occurrence of an Event of Default hereunder, the Pledgor, upon demand by the Lender, shall assemble the Collateral and make it available to the Lender at a place designated by the Lender which is mutually convenient to both parties. Upon the occurrence of an Event of Default hereunder, the Lender or its agents may enter upon the Pledgor's premises to take possession of the Collateral, to remove it, to render it unusable, or to sell or otherwise dispose of it, all without judicial process or proceedings. Any written notice of the sale, disposition, or other intended action by the Lender with respect to the Collateral which is required by applicable laws and is sent by certified mail, postage prepaid, to the Pledgor at the address of the Pledgor's chief executive office specified herein, or such other address of the Pledgor which may from time to time be shown on the Lender's records, at least ten (10) days prior to such sale, disposition, or other action, shall constitute reasonable notice to the Pledgor. The Pledgor shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of the Lender (a) in enforcing the Pledgor's Liabilities, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting, or otherwise disposing of the Collateral. All of such costs and expenses (collectively, the "Liquidation Costs") together with interest thereon at a per annum rate of interest which is equal to the then highest rate of interest charged on the principal of any of the Pledgor's Liabilities, plus one percent (1%) per annum, from the date of payment until repaid in full, shall be paid by the Pledgor to the Lender on demand and shall constitute and become a part of the Pledgor's Liabilities secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by the Lender to the payment of Liquidation Costs and Expense Payments, and any balance of such proceeds will be applied by the Lender to the payment of the remaining Pledgor's Liabilities in such order and manner of application as the Lender may from time to time in its sole discretion determine.

19. ***Deficiency.*** If the sale or other disposition of the Collateral fails to fully satisfy the Pledgor's Liabilities, the Pledgor shall remain liable to the Lender for any deficiency.

20. **Remedies Cumulative.** Each right, power, and remedy of the Lender as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Lender of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by the Lender of any or all such other rights, powers, or remedies.

21. **Waiver.** No failure or delay by the Lender to insist upon the strict performance of any term, condition, covenant, or agreement of this Agreement or of the other Loan Documents, or to exercise any right, power, or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant, or agreement or of any such breach, or preclude the Lender from exercising any such right, power, or remedy at any later time or times. By accepting payment after the due date of any of the Pledgor's Liabilities, the Lender shall not be deemed to have waived the right either to require payment when due of all other Pledgor's Liabilities or to declare an Event of Default for failure to effect such payment of any such other Pledgor's Liabilities. The Pledgor waives presentment, notice of dishonor, and notice of non-payment with respect to accounts and chattel paper.

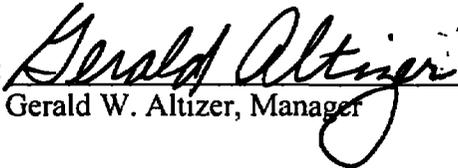
22. **Miscellaneous.** The paragraph headings of this Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof. Neither this Agreement nor any term, condition, covenant, or agreement hereof may be changed, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought. This Agreement shall be governed by the laws of the State of Maryland and shall be binding upon the heirs, personal representatives, successors, and assigns of the Pledgor and shall inure to the benefit of the successors and assigns of the Lender. As used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a trust, and an organization. Unless varied by this Agreement, all terms used herein which are defined by the Maryland Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the Maryland Uniform Commercial Code.

The signature and seal of the Pledgor are subscribed to this Agreement the day and year written above.

WITNESS/ATTEST:

PLEDGOR:

Georges Creek Railway, LLC,  
A Maryland Limited Liability Company

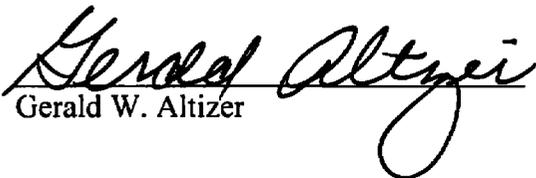
By:  (SEAL)  
Gerald W. Altizer, Manager

Debtor's Business Address and Address where Collateral is or is to be Located:  
121 Main Street  
Westernport, Maryland 21562

**Corporate Form of Acknowledgement**

I, Gerald W. Altizer, certify that I am the Manager of Georges Creek Railway, LLC, a Maryland limited liability company (the "Company"), that the seal affixed to the attached instrument, the executed Security Agreement, dated April 30, 2009 is the corporate seal of said Company, that the instrument was signed and sealed on behalf of the Company by authority of its Members, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Company. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on April 30, 2009.

  
Gerald W. Altizer