

VEDDER PRICE

VEDDER, PRICE, KAUFMAN & KAMMHOLZ
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CHICAGO, ILLINOIS 60601-1003
312-609-7500
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RECORDATION NO. 20174-K FILED

BARBARA C. KLABACHA
312-609-7895

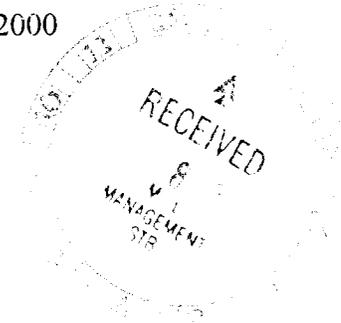
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TS
SURFACE TRANSPORTATION BOARD

A PARTNERSHIP INCLUDING VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C.
WITH OFFICES IN CHICAGO AND NEW YORK CITY

October 30, 2000

BY UNITED STATES MAIL

Surface Transportation Board
1925 K Street, NW
Suite 714
Washington, DC 20006
Attention: Ms. Taleda Stokes



Re: Rail Logistics Services, Inc.

Dear Ms. Stokes:

Enclosed herewith for recording with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the U.S. Code, under recordation number 20174, is an original, fully executed and notarized document in connection with a primary document titled "Security Agreement" dated as of June 26, 1996 (as amended from time to time, the "Security Agreement") between Rail Logistics Services, Inc., as the debtor (the "Debtor"), and LaSalle Bank National Association, formerly known as LaSalle National Bank, as the secured party (the "Secured Party"). Such document is a Second Amendment to Master Collateral Assignment of Lease dated as of October 5, 2000 (the "Second Lease Amendment") to Master Collateral Assignment of Leases dated as of June 10, 1999 and amended as of November 15, 1999 (as amended, the "Lease Assignment"). The Lease Amendment amends Schedule 1 to the Lease Assignment to pledge the lease of the Additional Locomotive as collateral security.

The names and addresses of the parties to the Second Lease Amendment are as follows: the Debtor is Rail Logistics Services, Inc., a Delaware corporation whose principal place of business is located at 53 West Jackson Boulevard, Suite 335, Chicago, Illinois 60604; the Secured Party is LaSalle Bank National Association, formerly known as LaSalle National Bank, a national banking association whose principal place of business is located at 135 South LaSalle Street, Chicago, Illinois 60603.

A short summary of the Second Lease Amendment to appear in the index is as follows:

A Second Amendment dated as of October 5, 2000 to Master Collateral Assignment of Lease dated as of June 10, 1999 and

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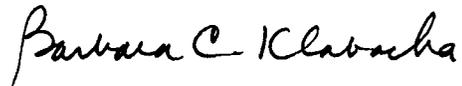
amended as of November 15, 1999 between Rail Logistics Services, Inc., as the debtor, and LaSalle Bank National Association, formerly known as LaSalle National Bank, as the secured party, amending the leases pledged as collateral to include the lease of a certain locomotive known as OHCR 2401 (Type SD-20-2).

Enclosed is a check in the amount of \$26.00 payable to the Surface Transportation Board to cover the recording fee prescribed by the Board in its rules and regulations.

Please acknowledge receipt of the enclosed documents by stamping and returning to me the enclosed copy of this letter together with the Second Amendment to Master Collateral Assignment of Leases, as filed.

If you have any questions with respect to the enclosed documents, please call me collect. Thank you.

Very truly yours,



Barbara C. Klabacha

**SECOND AMENDMENT
TO
MASTER COLLATERAL ASSIGNMENT OF LEASE**

NOV 9 '00 3-31 PM

SURFACE TRANSPORTATION BOARD

This SECOND AMENDMENT TO MASTER COLLATERAL ASSIGNMENT OF LEASE ("Lease Amendment") dated as of October 5, 2000, is made by and between RAIL LOGISTICS SERVICES, INC., a Delaware corporation having its principal place of business at 53 West Jackson Boulevard, Chicago, Illinois 60604 ("Borrower"), LASALLE BANK NATIONAL ASSOCIATION, formerly known as LaSalle National Bank, a national banking association with its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603 ("Bank"), and each of the undersigned companies (each, a "Lessee" and, collectively, "Lessees").

WHEREAS, Borrower has requested Bank to finance its acquisition of a locomotive identified as OHCR 2401 (type SD-20-2) (the "New Locomotive");

WHEREAS, Bank is willing to finance Borrower's acquisition of the New Locomotive provided that Borrower pledge its interests in the New Locomotive to Bank; and

WHEREAS, Borrower and Bank desire to amend certain provisions of the Master Collateral Assignment of Leases dated as of June 10, 1999 and amended as of November 15, 1999 (as amended from time to time, the "Lease Assignment") to permit Borrower's pledge to Bank of its interests in any lease of the New Locomotive;

NOW THEREFORE, the parties agree as follows:

1. **Definitions.** Capitalized terms used herein without definitions shall have the meanings contained in the Lease Assignment.

2. **Additional Collateral.** The following is added to Schedule 1 to the Lease Assignment:

Locomotive Identification	Lessee
Model No. OHCR 2401 (Type SD-20-2)	Pacific Harbor Lines, Inc.

3. **Continuing Effect.** Except as otherwise explicitly provided for herein, the terms and provisions of the Security Agreement remain in full force and effect.

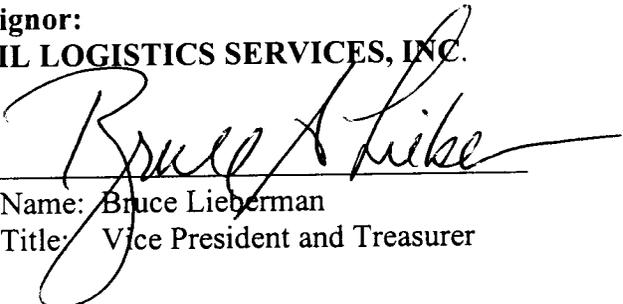
4. **Counterparts.** This Amendment to Lease Assignment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

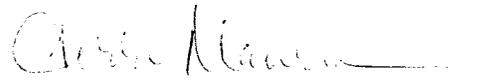
(Signature Page to Second Amendment to Lease Assignment)

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment to Master Collateral Assignment of Lease as of the date first above written.

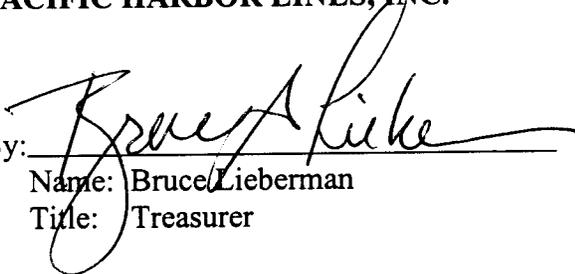
Assignor:
RAIL LOGISTICS SERVICES, INC.

By: 
Name: Bruce Lieberman
Title: Vice President and Treasurer

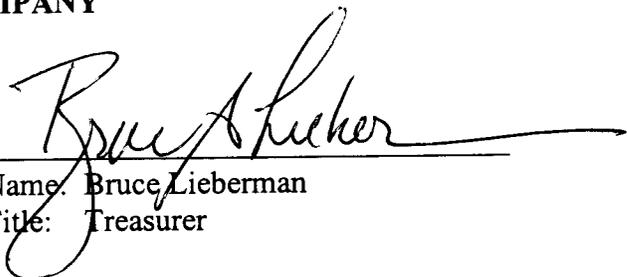
Assignee:
LASALLE BANK NATIONAL ASSOCIATION,
formerly known as LaSalle National Bank,
a national banking association

By: 
Name: Terri Maurer
Title: First Vice President

Lessee:
PACIFIC HARBOR LINES, INC.

By: 
Name: Bruce Lieberman
Title: Treasurer

Lessee:
**LOUISVILLE & INDIANA RAILROAD
COMPANY**

By: 
Name: Bruce Lieberman
Title: Treasurer

STATE OF Illinois)
)
) ss.
COUNTY OF Cook)

On this 5 day of October, 2000, before me personally appeared Bruce A. Lieberman, to me personally known, who, being by me duly sworn, says that he is (i) the Vice President and Treasurer of Rail Logistics Services, Inc., a Delaware corporation, (ii) the Vice President of Pacific Harbor Lines, Inc., a California corporation, and (iii) a Vice President of Louisville & Indiana Railroad Company, an Indiana corporation, and that the said instrument was signed on behalf of each said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of each said corporation.



Wonda Elaine Binns
Notary Public

My commission expires: 07/29/00

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 5 day of October, 2000, before me personally appeared Terri Maurer, to me personally known, who, being by me duly sworn, says that she is a First Vice President of LaSalle Bank National Association, formerly known as LaSalle National Bank, a national banking association, and 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 banking association.



Wonda Elaine Binns
Notary Public

My commission expires: 07/29/02