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March 2, 2001

Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001  
Attn: Ms. Taledia Stokes

RECORDATION NO. 23400 FILED  
MAR 7 '01 2-14 PM  
Ts  
SURFACE TRANSPORTATION BOARD



Dear Ms. Stokes:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Chattel Mortgage and Security Agreement, dated February 28, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Debtor: Maryland Midland Railway, Inc.  
40 North Main Street  
Union Bridge, Maryland 21791

Secured Party: Allfirst Bank  
25 South Charles Street  
Baltimore, Maryland 21201

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

Three (3) Model GP38 (to be remodeled to GP38-3) locomotives bearing road marks and numbers MMID 300, MMID 301 and MMID 302.

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

Memorandum of Chattel Mortgage and Security Agreement between Maryland Midland Railway, Inc., Debtor, and Allfirst Bank, Secured Party, covering three (3) Model GP38 (to be remodeled to GP38-3) locomotives bearing road marks and numbers MMID 300, MMID 301 and MMID 302.

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

Surface Transportation Board  
October 26, 2000  
Page 2

MILES & STOCKBRIDGE P.C.

Please kindly return stamped copies of the enclosed document to the undersigned at the above-listed address.

Very truly yours,

A handwritten signature in black ink, appearing to read "D.M. Schilling". The signature is written in a cursive, somewhat stylized font.

David M. Schilling  
Legal Assistant

Enclosures

RECORDATION NO. 23400 FILED

MAR 7 '01 2-14 PM

SURFACE TRANSPORTATION BOARD

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MEMORANDUM OF CHATTEL MORTGAGE  
AND SECURITY AGREEMENT

dated February ~~28~~<sup>29</sup>, 2001

by and between

MARYLAND MIDLAND RAILWAY, INC.,  
as Debtor

and

ALLFIRST BANK,  
as Secured Party

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RECORDATION NO. 23400 FILED

MAR 7 '01 2-14 PM

MEMORANDUM OF CHATTEL MORTGAGE  
AND SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "Memorandum") is made this ~~28~~ day of February, 2001, by and between MARYLAND MIDLAND RAILWAY, INC., a Maryland corporation ("Borrower"), and ALLFIRST BANK, a state-chartered Federal Reserve Member bank organized under the laws of the State of Maryland ("Bank").

A. The Borrower and the Bank are parties to that certain Loan Agreement ("Agreement") dated February ~~28~~, 2001 pursuant to which the Bank agreed to make to the Borrower the loan described in the Agreement.

B. To secure the Borrower's Obligations (as defined in the Agreement) to the Bank, the Borrower executed and delivered to the Bank a Chattel Mortgage and Security Agreement dated February ~~28~~ 2001 pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Three (3) locomotives described on Exhibit A attached hereto (each, a "Locomotive" and collectively, the "Locomotives") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Locomotives, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Locomotives or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Borrower may have now or in the future against any manufacturer, rebuilder or seller of the Locomotives (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Locomotives or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Locomotives to any third party, and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Locomotives; and

(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

MARYLAND MIDLAND RAILWAY, INC.

  
\_\_\_\_\_

By:   
\_\_\_\_\_ *President & CEO*

WITNESS:

ALLFIRST BANK

  
\_\_\_\_\_

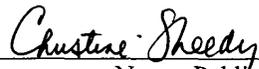
By:   
\_\_\_\_\_ *Christopher A. Pistell, Vice President*

STATE OF MARYLAND, County OF Carroll

On this 23 day of February, 2001, before me, a Notary Public of the City and State aforesaid, personally appeared Paul J. Smith, to me personally known, who being by me duly sworn, says that he is the President of Maryland Midland Railway, Inc., a Maryland corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

(Seal)

  
\_\_\_\_\_ *Christine Sheedy*  
Notary Public

My commission expires:

2/1/03

STATE OF MARYLAND, County OF Howard

On this 28th day of Feb., 2001, before me, a Notary Public of the City and State aforesaid, personally appeared Christopher A. Pistell, to me personally known, who being by me duly sworn, says that he is a Vice President of Allfirst Bank, that the seal affixed to the foregoing instrument is the seal of Allfirst Bank, that said instrument was signed and sealed on behalf of Allfirst Bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of Allfirst Bank.

AS WITNESS my hand and notarial seal

(Seal)

  
\_\_\_\_\_  
Notary Public

My commission expires: Roger Weaver, Notary Public  
State of Maryland  
Commission expires Jan. 1, 2003

EXHIBIT A

DESCRIPTION OF LOCOMOTIVES

Three (3) Model GP38 (to be remodeled to GP38-3) locomotives bearing road marks and numbers as follows:

MMID 300  
MMID 301  
MMID 302

STATE OF MARYLAND  
SS:  
CITY OF BALTIMORE



THIS IS TO CERTIFY that the attached Memorandum of Chattel Mortgage and Security Agreement is a true and complete copy of said Memorandum of Chattel Mortgage and Security Agreement.

WITNESS my hand and seal this 2<sup>nd</sup> day of March, 2001.

*Deborah J. Hooper*  
Notary Public

My Commission Expires: 7/27/02

