

VEDDER PRICE

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RECORDATION NO. 20174-N FILED

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SURFACE TRANSPORTATION BOARD

VEDDER, PRICE, KAUFMAN & KAMMHOLZ
222 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60601
312-609-7500
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A PARTNERSHIP INCLUDING VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C.
WITH OFFICES IN CHICAGO, NEW YORK CITY, AND LIVINGSTON, NEW JERSEY

January 16, 2003

VIA EXPRESS MAIL

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



Re: Rail Logistics Services, Inc.

Dear Ms. Saddler:

Enclosed herewith for recording with the Surface Transportation Board (the "Board") pursuant to Section 11301 of Title 49 of the U.S. Code, under recordation number 20174, were original, fully executed and notarized documents in connection with that certain Amended and Restated Security Agreement dated as of May 29, 2001 (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"), which amended and restated that certain primary document titled "Security Agreement" dated as of June 26, 1996 (the "Original Security Agreement") between Debtor and Secured Party, as described below:

(i) a First Amendment to Amended and Restated Security Agreement dated as of November 26, 2002 ("First Amendment"), which amends Schedule A to the Security Agreement to add additional collateral thereto the lease of certain locomotives, two (2) identified as Type SD-40-2 and one (1) identified as Type SD-20, (the "Additional Locomotives"); and

(ii) a First Amendment dated as of November 26, 2002, (the "Lease Amendment") to Amended and Restated Master Collateral Assignment of Leases dated as of May 29, 2001 ("Lease Assignment"), which amends Schedule 1 to the Lease Assignment to pledge the lease of the Additional Locomotives as collateral security.

The names and addresses of the parties to the First Amendment and the 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

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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 for each document to appear in the index is as follows:

A First Amendment to Amended and Restated Security Agreement, dated as of November 26, 2002 between Rail Logistics Services, Inc., as the debtor, and LaSalle Bank National Association, formerly known as LaSalle National Bank, as the secured party, amending Secured Party's security interest and lien to include the Additional Locomotives.

A First Amendment dated as of November 26, 2002 to Amended and Restated Master Collateral Assignment of Lease dated as of May 29, 2001 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 the Additional Locomotives.

Enclosed is a check in the amount of \$60.00 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 each of (i) the original First Amendment to Amended and Restated Security Agreement and (ii) the original First Amendment to Amended and Restated Master Collateral Assignment of Leases, each as filed. I have also enclosed a self-addressed pre-paid federal express envelope for your convenience.

Should you have any questions concerning the enclosed, please feel free to contact me at (312) 609-7817.

Very truly yours,



Catherine Ho
Legal Assistant

Enclosures

cc: John T. McEnroe, Esq. (w/out enclosures)
Allen J. Gable, Esq. (w/out enclosures)

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**FIRST AMENDMENT TO SURFACE TRANSPORTATION BOARD
AMENDED AND RESTATED SECURITY AGREEMENT**

This FIRST AMENDMENT TO AMENDED AND RESTATED SECURITY AGREEMENT ("First Amendment"), dated as of November 26, 2002, 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"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association with its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603 ("Bank").

WHEREAS, Borrower and Bank entered into a certain Amended and Restated Security Agreement dated May 29, 2001 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"); and

WHEREAS, Borrower and Bank desire to amend certain provisions of the Security Agreement.

NOW THEREFORE, the parties agree as follows:

1. Definitions. Capitalized terms used herein without definitions shall have the meanings contained in the Security Agreement.

2. Amended Definitions. The last sentence of the first paragraph of the Security Agreement is hereby deleted and the following is inserted in its stead:

"Capitalized terms used but not defined herein shall have the meanings assigned to them in that certain Seventh Amended and Restated Promissory Note dated as of November 26, 2002 executed by Borrower for the benefit of Bank (said Seventh Amended and Restated Promissory Note, as the same may be amended or restated from time to time, is hereinafter referred to either as the "Note" or the "Loan Agreement")."

3. Additional Collateral. The following are added to Schedule A to the Security Agreement:

Model No. DRGW 5412 (a/k/a SP 5412) (Type SD-40-2)

Model No. SP 8550 (Type SD-40-2)

Model No. UP 426B (a/k/a IC 2006 and TCWR 601) (Type SD-20)

4. Released Collateral. Upon receipt of cash in the amount of \$54,400 from Borrower, Bank agrees to delete the following from Schedule A to the Security Agreement:

CNW6626 (Type SD-18)

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

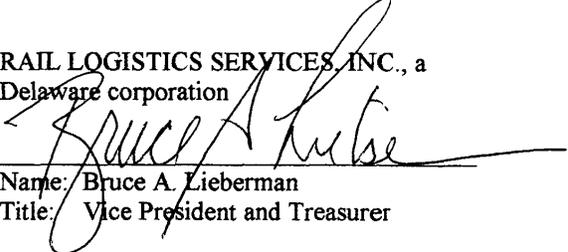
5. Counterparts. This First Amendment to Security Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

(Signature Page to First Amendment to Amended and Restated Security Agreement)

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

RAIL LOGISTICS SERVICES, INC., a
Delaware corporation



Name: Bruce A. Lieberman
Title: Vice President and Treasurer

LASALLE BANK NATIONAL
ASSOCIATION, a national banking
association

Name: Craig Schuth
Title: Corporate Banking Officer

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed and delivered in Chicago, Illinois, on the date first above written.

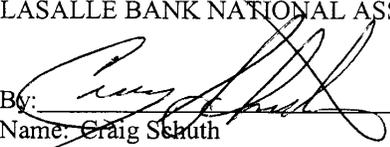
RAIL LOGISTICS SERVICES, INC.

By: _____

Name: Bruce Lieberman

Title: Vice President and Treasurer

LASALLE BANK NATIONAL ASSOCIATION

By:  _____

Name: Craig Skuth

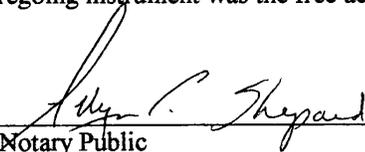
Title: Corporate Banking Officer

STATE OF New York)

) ss.

COUNTY OF New York)

On this 26th day of November, 2002, before me personally appeared Bruce A. Lieberman, to me personally known, who, being by me duly sworn, says that he is the Vice President and Treasurer of Rail Logistics Services, Inc., a Delaware corporation, and that the said instrument was signed on behalf of 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 said corporation.



Notary Public

My commission expires: ~~_____~~ ALLYN G. SHEPARD
NOTARY PUBLIC STATE OF NEW YORK
No. 02SH5084345
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES SEPT. 02, 2005

Schedule A - Rolling Stock

PHL Unit 9378
PHL Unit 9381
PHL Unit 9363
PHL Unit 9358
PHL Unit 9326

Model No. 6628 (Type SD-18)
Model No. 6637 (Type SD-18)

HBC Unit 101

Model No. 6632 (Type SD-18)
Model No. 6636 (Type SD-18)

SD-20-2 locomotive (OHCR 2401)

EMD SW1200, Road Number 9321
EMD SW1200, Road Number 9373
EMD GP16, Road Number 1607
EMD GP16, Road Number 1608
EMD GP16, Road Number 1609
EMD GP16, Road Number 1610
EMD GP38-2, Road Number 220
EMD GP38-2, Road Number 221
EMD GP38-2, Road Number 223

Model No. IC 8716 (GP 11)
Model No. IC 8721 (GP 11)
Model No. IC 8745 (GP 11)

Model No. DRGW 5412 (a/k/a SP 5412) (Type SD-40-2)
Model No. SP8550 (Type SD-40-2)
Model No. UP 426B (a/k/a IC 2006 and TCWR 601) (Type SD-20)