

# VEDDER PRICE

CATHERINE HO  
LEGAL ASSISTANT  
312-609-7817  
cho@vedderprice.com

RECORDATION NO. 20174-0 FILED

JAN 17 '02 2-57 PM

SURFACE TRANSPORTATION BOARD

VEDDER, PRICE, KAUFMAN & KAMMHOLZ  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601  
312-609-7500  
FACSIMILE: 312-609-5005

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  
AMENDED AND RESTATED MASTER COLLATERAL ASSIGNMENT OF LEASE**

**SURFACE TRANSPORTATION BOARD**

This FIRST AMENDMENT TO AMENDED AND RESTATED MASTER COLLATERAL ASSIGNMENT OF LEASE ("Lease 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"), and each of the undersigned companies (each a "Lessee" and, collectively, "Lessees").

WHEREAS, Borrower has requested Bank to finance its acquisition of three locomotives identified as Model No. DRGW 5412 (a/k/a SP 5412) (type SD-40-2), Model No. SP 8550 (type SD-40-2), and Model No. UP 426B (a/k/a IC 2006 and TCWR 601) (Type SD-20), (together, the "New Locomotives");

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

WHEREAS, Borrower and Bank desire to amend certain provisions of the Amended and Restated Master Collateral Assignment of Lease dated as of May 29, 2001 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Lease Assignment") to permit Borrower's pledge to Bank of its interests in any lease of the New Locomotives;

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 are added to Schedule 1 to the Lease Assignment:

| Locomotive Identification                                   | Lessee                     |
|---|----------------------------|
| Model No. DRGW 5412 (a/k/a SP 5412) (type SD-40-2)          | Pacific Harbor Lines, Inc. |
| Model No. SP 8550 (type SD-40-2)                            | Pacific Harbor Lines, Inc. |
| Model No. UP 426B (a/k/a IC 2006 and TCWR 601) (Type SD-20) | Pacific Harbor Lines, Inc. |

3. Released Collateral. Upon receipt of cash in the amount of \$54,400 from Borrower, Bank agrees to delete the following from Schedule 1 to the Lease Assignment:

| <b>Locomotive Identification</b> | <b>Lessee</b>              |
|----------------------------------|----------------------------|
| Model No. CNW6626 (Type SD 18)   | Pacific Harbor Lines, Inc. |

4. Continuing Effect. Except as otherwise explicitly provided for herein, the terms and provisions of the Lease Assignment remain in full force and effect.

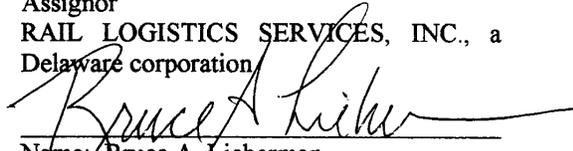
5. Counterparts. This Lease Amendment to the Lease Assignment may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

(Signature Page to Lease Amendment to Lease Assignment)

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.

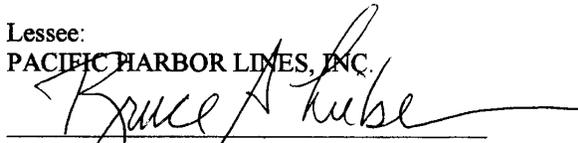
Assignor  
RAIL LOGISTICS SERVICES, INC., a  
Delaware corporation

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

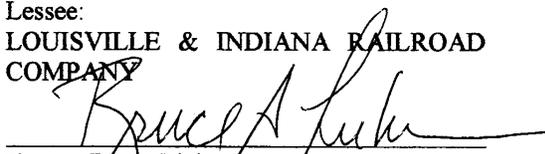
Assignee:  
LASALLE BANK NATIONAL  
ASSOCIATION,  
a national banking association

\_\_\_\_\_  
Name: Craig Schuth  
Title: Corporate Banking Officer

Lessee:  
PACIFIC HARBOR LINES, INC.

  
Name: Bruce A. Lieberman  
Title: Treasurer

Lessee:  
LOUISVILLE & INDIANA RAILROAD  
COMPANY

  
Name: Bruce Lieberman  
Title: Treasurer

(Signature Page to Lease Amendment to Lease Assignment)

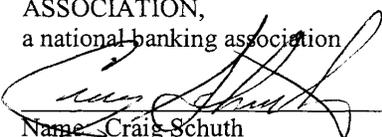
IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

Assignor  
RAIL LOGISTICS SERVICES, INC., a  
Delaware corporation

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

Assignee:  
LASALLE BANK NATIONAL  
ASSOCIATION,  
a national banking association



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Name: Craig Schuth  
Title: Corporate Banking Officer

Lessee:  
PACIFIC HARBOR LINES, INC.

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Name: Bruce A. Lieberman  
Title: Treasurer

Lessee:  
LOUISVILLE & INDIANA RAILROAD  
COMPANY

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Name: Bruce Lieberman  
Title: Treasurer

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 C. SHEPARD**  
**NOTARY PUBLIC STATE OF NEW YORK**  
No. 02SH5084345  
**QUALIFIED IN NEW YORK COUNTY**  
**COMMISSION EXPIRES SEPT. 02, 20** 05



**Schedule 1 - 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)