

VEDDER PRICE

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OFFICES IN CHICAGO, NEW YORK CITY, AND LIVINGSTON, NEW JERSEY

September 29, 2003

VIA FEDERAL EXPRESS

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

RECORDATION NO. 20174-Q FILED

SEP 30 '03

3:17 PM

SURFACE TRANSPORTATION BOARD



Re: Rail Logistics Services, Inc.

Dear Ms. Sadler:

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, are 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 Second Amendment to Amended and Restated Security Agreement dated as of August 26, 2003 ("Second Amendment"), which amends Schedule A to the Security Agreement to add additional collateral thereto the lease of certain locomotives, four (4) identified as Type GP-39-2, (the "Additional Locomotives") and to release collateral thereto, two (2) identified as EMD GP16 (the "Released Collateral"); and

(ii) a Second Amendment dated as of August 26, 2003, (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 and release the lease of the Released Collateral as collateral security and release.

The names and addresses of the parties to the Second 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,

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

A Second Amendment to Amended and Restated Security Agreement, dated as of August 26, 2003 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 and release the Released Collateral.

A Second Amendment dated as of August 26, 2003 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 and the release of the Released Collateral.

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 Second Amendment to Amended and Restated Security Agreement and (ii) the original Second 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) 609-7859.

Very truly yours,



Diana M. Schoendorff
Legal Assistant

DMS/DMS
Enclosures

cc: John T. McEnroe, Esq.
Allen J. Gable, Esq.

**SECOND AMENDMENT
TO
AMENDED AND RESTATED MASTER COLLATERAL ASSIGNMENT OF LEASE**

SURFACE TRANSPORTATION BOARD

This SECOND AMENDMENT TO AMENDED AND RESTATED MASTER COLLATERAL ASSIGNMENT OF LEASE ("Lease Amendment"), dated as of August 26, 2003, 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 four locomotives identified as Model No. GM-EMD, Unit Number 2371 (type GP-39-2), Model No. GM-EMD, Unit Number 2375 (type GP-39-2), Model No. GM-EMD, Unit Number 2376 (type GP-39-2), and Model No. GM-EMD, Unit Number 2378 (type GP-39-2), (collectively, 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 amended by that First Amendment to Amended and Restated Master Collateral Assignment of Lease dated as of November 26, 2002 (collectively, as 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. GM-EMD, Unit Number 2371 (type GP-39-2)	Louisville and Indiana Railroad Company
Model No. GM-EMD, Unit Number 2375 (type GP-39-2)	Louisville and Indiana Railroad Company
Model No. GM-EMD, Unit Number 2376 (type GP-39-2)	Louisville and Indiana Railroad Company

(type GP-39-2)	
Model No. GM-EMD, Unit Number 2378 (type GP-39-2)	Louisville and Indiana Railroad Company

3. Released Collateral. Upon receipt of cash in the amount of \$99,402 from the Borrower, Bank agrees to delete the following from Schedule 1 to the Lease Assignment:

Locomotive Identification	Lessee
EMD GP16, Road Number 1607	Louisville and Indiana Railroad Company
EMD GP16, Road Number 1609	Louisville and Indiana Railroad Company

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

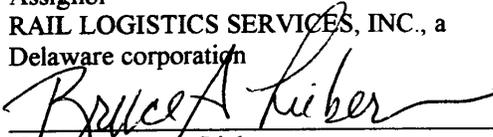
5. Counterparts. This Lease Amendment to the Lease Assignment may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[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.

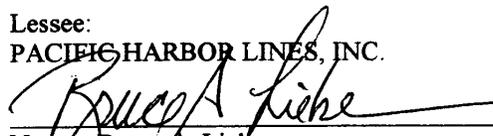
Assignor
RAIL LOGISTICS SERVICES, INC., a
Delaware corporation


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

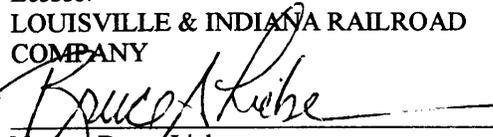
Assignee:
LASALLE BANK NATIONAL
ASSOCIATION,
a national banking association

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

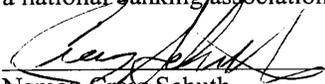
(Signature Page to Lease Amendment to Lease Assignment)

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

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

STATE OF ILLINOIS)

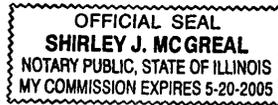
) ss.

COUNTY OF COOK)

On this 26 day of August, 2003, before me personally appeared Craig Schuth, to me personally known, who, being by me duly sworn, says that he is a Corporate Banking Officer of LaSalle Bank National Association, a national banking association, and is duly authorized to sign the foregoing instrument on behalf of said banking association, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.


Notary Public

My commission expires: 05.20.2005



STATE OF New York)

COUNTY OF New York)

ss.

On this 22nd day of August, 2003, 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.

Sandra Morgan
Notary Public

SANDRA MORGAN
Notary Public, State of New York
No. 24-4713771
Qualified in Kings County
Commission Expires

My commission expires: 1-31-2007

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 GP-10 LIRC 201 (a/k/a NY 201 formerly OHCR 7589)

EMD SW1200, Road Number 9321
EMD SW1200, Road Number 9373
EMD GP16, Road Number 1608
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)

EMD GP39-2, Unit Number 2371
EMD GP39-2, Unit Number 2375
EMD GP39-2, Unit Number 2376
EMD GP39-2, Unit Number 2378