

RECORDATION NO. 22455-F FILED

BINGHAM McCUTCHEN

JAN 13 '04 10:31 AM

SURFACE TRANSPORTATION BOARD

January 9, 2004



VIA FEDEX

Vernon A. Williams, Secretary
Surface Transportation Board
195 K Street, N.W., Suite 704
Washington, D.C. 20423

Bingham McCutchen LLP
150 Federal Street
Boston, MA
02110-1726

617.951.8000
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Hartford
London
Los Angeles
New York
Orange County
San Francisco
Silicon Valley
Tokyo
Walnut Creek
Washington

Dear Sir:

Enclosed for recording with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the United States Code are one signed original and one copy of the fully executed, notarized Instrument of Adherence (US Security Agreement), dated as of January 1, 2004. This document is a secondary document to the Security Agreement, dated as of August 17, 1999, and should be recorded under Recordation Number 22455.

This document is an Instrument of Adherence (US Security Agreement), dated as of January 1, 2004, by and among each of **ALLEGHENY & EASTERN RAILROAD, LLC**, a Delaware limited liability company, and **PITTSBURG & SHAWMUT RAILROAD, LLC**, a Delaware limited liability company, (each individually referred to therein as a "New US Company") and **FLEET NATIONAL BANK** (formerly known as BankBoston, N.A.), as Administrative Agent for the Lenders referred to therein (in such capacity, the "Administrative Agent"), covering each New US Company's motor vehicles, rolling stock, locomotives and railcars, and maintenance of way equipment now owned or hereafter acquired and certain other properties and rights of each New US Company. A description of each New US Company's motor vehicles, rolling stock, locomotives and railcars, and maintenance of way equipment is attached to the Instrument of Adherence (US Security Agreement) as each New US Company's Schedule 1, Schedule 2 and Schedule 3, as the same may be revised from time to time, but the property covered by the Instrument of Adherence (US Security Agreement) is not limited to that listed on each New US Company's Schedule 1, Schedule 2 and Schedule 3.

The names and addresses of the parties to the Instrument of Adherence (US Security Agreement) are listed on Appendix A attached hereto. Please cross-

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Vernon A. Williams, Secretary
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index this Instrument of Adherence (US Security Agreement) against each New US Company listed on Appendix A.

Included in the property covered by the aforesaid Instrument of Adherence (US Security Agreement) are motor vehicles, rolling stock, railroad cars, locomotives and railcars, and maintenance of way equipment intended for use related to interstate commerce, or interests therein, owned and leased by each New US Company at the date of said Instrument of Adherence (US Security Agreement) **or thereafter acquired by each New US Company or its successors.**

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

"An Instrument of Adherence (US Security Agreement) dated as of January 1, 2004, by and among **ALLEGHENY & EASTERN RAILROAD, LLC**, a Delaware limited liability company, and **PITTSBURG & SHAWMUT RAILROAD, LLC**, a Delaware limited liability company, and **FLEET NATIONAL BANK**, as Administrative Agent, as the secured party, covering each New US Company's motor vehicles, rolling stock, locomotives, railcars, maintenance of way equipment and all other properties and rights of each New US Company now owned or hereafter acquired, and making each New US Company a party to a certain Security Agreement with Recordation No. 22455."

Also please find enclosed check number 2327 in the amount of \$30.00, 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 in the enclosed self-addressed prepaid federal express package, the enclosed copy of this letter together with the Instrument of Adherence (US Security Agreement) as filed.

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If you have any questions with respect to the enclosed documents, please call Cynthia Barnett collect at (617) 951-8539 or me at (617) 951-8849.

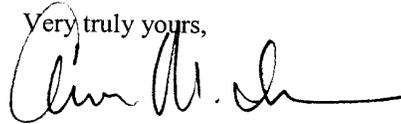
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Boston
Hartford
London
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New York
Orange County
San Francisco
Silicon Valley
Tokyo
Walnut Creek
Washington

Very truly yours,



Ann M. Imes

Enclosures

cc: Cynthia F. Barnett, Esq.
Deidre A. Doherty, Esq.
Rylan O. Rawlins, Esq.
(without Enclosures)

APPENDIX A

New US Company:

Allegheny & Eastern Railroad, LLC
Suite 200
1200-C Scottsville Road
Rochester, NY 14624

Bingham McCutchen LLP
150 Federal Street
Boston, MA
02110-1726

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New York
Orange County
San Francisco
Silicon Valley
Tokyo
Walnut Creek
Washington

Pittsburg & Shawmut Railroad, LLC
Suite 200
1200-C Scottsville Road
Rochester, NY 14624

Secured Party:

Fleet National Bank, as Administrative Agent
100 Federal Street
Boston, MA 02110

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JAN 13 '04 10-31 AM

INSTRUMENT OF ADHERENCE
(US SECURITY AGREEMENT)

SURFACE TRANSPORTATION BOARD

Dated as of January 1, 2004

To: The Administrative Agent and the Lenders who are parties to the Credit Agreement (as such terms are defined below):

Reference is hereby made to the US Security Agreement (the "Security Agreement") dated as of August 17, 1999 as amended from time to time, and the Omnibus Amendment of US Security Documents Agreement and Joinder dated as of October 31, 2002 among (a) Genesee & Wyoming Inc. (the "US Borrower"), Allegheny & Eastern Railroad, Inc., Bradford Industrial Rail, Inc., Buffalo & Pittsburgh Railroad, Inc., Carolina Coastal Railway, Inc., Commonwealth Railway, Inc., Corpus Christi Terminal Railroad, Inc., Dansville and Mount Morris Railroad Company, Emons Finance Corp., Emons Industries, Inc., Emons Railroad Group, Inc., Emons Transportation Group, Inc., Genesee and Wyoming Railroad Company, Genesee & Wyoming Railroad Services, Inc., Golden Isles Terminal Railroad, Inc., GWI Canada, Inc., GWI Leasing Corporation, GWI Rail Management Corporation, Illinois & Midland Railroad, Inc., Louisiana & Delta Railroad, Inc., Maine Intermodal Transportation, Inc., Maryland and Pennsylvania Railroad, LLC, P & L Junction Holdings, Inc., Pittsburg & Shawmut Railroad, Inc., Portland & Western Railroad, Inc., Rail Link, Inc., Rochester & Southern Railroad, Inc., Salt Lake City Southern Railroad Company, Inc., Savannah Port Terminal Railroad, Inc., SLR Leasing Corp., South Buffalo Railway Company, St. Lawrence & Atlantic Railroad Company, Talleyrand Terminal Railroad Company, Inc., Utah Railway Company, Willamette & Pacific Railroad, Inc., York Rail Logistics, Inc. (formerly known as Emons Logistics Services, Inc.), York Railway Company, Yorkrail LLC and such other Persons as may have become US Guarantors and joined the Security Agreement prior to the date hereof (each, a "US Restricted Subsidiary" and collectively, the "US Restricted Subsidiaries") (the US Borrower and each of the above US Restricted Subsidiaries hereinafter referred to individually as an "Existing US Company" and collectively as the "Existing US Companies"), and (b) Fleet National Bank, as Administrative Agent for itself and other financial institutions (hereinafter, collectively, the "Lenders") which are or may become parties to that certain Fourth Amended and Restated Revolving Credit and Term Loan Agreement dated as of October 31, 2002 (as amended and in effect from time to time, the "Credit Agreement"), by and among the US Borrower, Quebec Gatineau Railway Inc., the Guarantors named therein, the Lenders and the Administrative Agent.

Each of ALLEGHENY & EASTERN RAILROAD, LLC and PITTSBURG & SHAWMUT RAILROAD, LLC (each individually referred to herein as a "New US Company"), hereby acknowledges, and represents and warrants, the following: (i) the undersigned is a limited liability company formed on or prior to the date hereof; (ii) as of the date hereof the undersigned has become a Guarantor under the Credit Agreement pursuant to and in accordance with the Instrument of Adherence (Guaranty) dated as of

the date hereof (the "Instrument") and is subject to and bound by all of the terms, conditions and covenants thereof; (iii) the undersigned is jointly and severally liable, together with the Existing US Companies, for the payment and performance of all Obligations of the Borrowers under the Credit Agreement; (iv) it is a requirement under §9.14 of the Credit Agreement that each New US Company execute and deliver to the Administrative Agent, for the benefit of the Lenders and the Agents, this instrument of adherence; and (v) each such New US Company wishes to grant security interests in favor of the Administrative Agent, for the benefit of the Lenders and the Agents, as herein provided and to become a party to the Security Agreement.

Each New US Company by its execution of this Instrument of Adherence hereby joins the Security Agreement and becomes a party thereto for all purposes thereof as if an original signatory thereto. Each New US Company further covenants and agrees that by its execution hereof it shall be bound by and shall comply with all terms and conditions of the Security Agreement, and thereby and hereby grants to the Administrative Agent, for the benefit of the Lenders and the Agents, to secure the payment and performance in full of all of the Obligations (including the Canadian Obligations), a security interest in and so pledges and assigns to the Administrative Agent, for the benefit of the Lenders and the Agents, the following properties, assets and rights of such New US Company, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"):

All personal and fixture property of every kind and nature including, without limitation, all goods, accounts, including all accounts receivable, deposit accounts, supporting obligations, contract rights, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), all rights of the New US Company under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, all rights of the New US Company under any leases pursuant to which the New US Company leases any rolling stock, locomotives or other rail cars, of every kind and description, to any other person, all licenses, permits, agreements of any kind or nature pursuant to which the New US Company possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the New US Company, all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics, all rights to the payment of money including without limitation tax refund claims, insurance refund claims and all other insurance claims and proceeds, commercial tort claims, chattel paper (whether paper or electronic), documents, instruments (including promissory notes), general intangibles (including all payment intangibles), all certificated and uncertificated securities and other investment property (other than the stock of the Unrestricted Subsidiaries), together with all income therefrom, increases thereunder and proceeds thereof, patents, patent applications, trademarks, trademark applications, tradenames, copyrights, copyright applications, rights to sue and recover for past infringement of patents, trademarks and copyrights, computer programs, computer software, engineering drawings, service marks, customer lists, goodwill, books and records, furniture, fixtures, motor vehicles of every kind and description including, without

limitation, the motor vehicles described on Schedule 1 attached hereto, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements therefor, rolling stock, locomotives and all other rail cars of every kind and description, including, without limitation, the rolling stock, locomotives and rail cars described on Schedule 2 attached hereto, rail, ties and capital improvements thereon, equipment (including any accessions thereto), all maintenance of way equipment, including, without limitation, the maintenance of way equipment having an original value of greater than \$50,000 which is described on Schedule 3 attached hereto, inventory and all other capital assets and raw materials.

Each New US Company has delivered to the Administrative Agent a duly completed Perfection Certificate in the form prescribed by the Security Agreement, and represents and warrants that the matters set forth in such Perfection Certificate are true and correct in all material respects. Each New US Company further represents and warrants that it does not own or lease any real property, nor own any trademarks or patents. Each New US Company further covenants and agrees that by its execution hereof it shall provide all such information, complete all such forms and, take all such actions, and enter into all such agreements, in form and substance reasonably satisfactory to the Administrative Agent that are reasonably deemed necessary by the Administrative Agent in order to grant a valid, first-priority perfected security interest to the Administrative Agent and the Lenders in all of the assets of the undersigned securing the Obligations.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Very truly yours,

ALLEGHENY & EASTERN RAILROAD, LLC

By: 
Name: David J. Collins
Title: Manager

STATE OF NEW YORK)
) ss.
COUNTY OF MONROE)

On this 30th day of December, 2003 before me personally appeared David J. Collins, to me personally known, who, being by me duly sworn, says that he is the Manager of **ALLEGHENY & EASTERN RAILROAD, LLC**, and, that, being duly authorized, he did execute the foregoing Instrument of Adherence for and on behalf of said limited liability company; and that and he acknowledges the execution of the foregoing instrument was the free act and deed of said limited liability company.

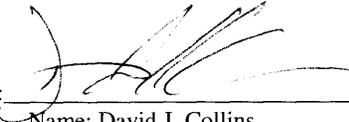


Notary Public
My commission expires:

DIANE G. WALKER
Notary Public, State of New York
Qualified in Monroe County
Commission Expires Sept. 23, 2006

Very truly yours,

PITTSBURG & SHAWMUT RAILROAD, LLC

By: 
Name: David J. Collins
Title: Manager

STATE OF NEW YORK)
) ss.
COUNTY OF MONROE)

On this 30th day of December, 2003 before me personally appeared David J. Collins, to me personally known, who, being by me duly sworn, says that he is the Manager of **PITTSBURG & SHAWMUT RAILROAD, LLC**; and, that, being duly authorized, he did execute the foregoing Instrument of Adherence for and on behalf of said limited liability company; and that and he acknowledges the execution of the foregoing instrument was the free act and deed of said limited liability company.

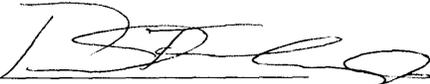


Notary Public
My commission expires:

DIANE G. WALKER
Notary Public, State of New York
Qualified in Monroe County
Commission Expires Sept. 23, 20 06

ACCEPTED BY:

FLEET NATIONAL BANK, as Administrative Agent

By: 

Name: Paul G. Feloney
Title: Managing Director

Schedule 1 – Allegheny & Eastern Railroad, LLC

Motor Vehicles

NONE

Schedule 2 – Allegheny & Eastern Railroad, LLC

Rolling Stock, Locomotives and Railcars

NONE

Schedule 3 – Allegheny & Eastern Railroad, LLC

Maintenance of Way Equipment

NONE

Schedule 1 – Pittsburg & Shawmut Railroad, LLC

Motor Vehicles

NONE

Schedule 2 – Pittsburg & Shawmut Railroad, LLC

Rolling Stock, Locomotives and Railcars

NONE

Schedule 3 – Pittsburg & Shawmut Railroad, LLC

Maintenance of Way Equipment

NONE