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RECORDATION NO. 24445-A FILED

JUN 10 11 -2 06 PM

SURFACE TRANSPORTATION BOARD June 3, 2011



Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Document for Recordation for Pinsky Railroad Company, et als

Dear Secretary:

We hereby submit for filing and recording an executed original of a secondary document, entitled "First Amendment to Loan and Security Agreement" (the "Amendment") dated May 27, 2011. This Amendment amends certain provisions of the Loan and Security Agreement dated May 28, 2003 by and among Pinsky Railroad Company, Arkansas Midland Railroad Company, Inc., Florida Central Railroad Company, Inc., Florida Midland Railroad Company, Inc., Florida Northern Railroad Company, Inc., Railroad Distribution Services, Inc. (Florida), Pioneer Valley Railroad Company, Inc., Railroad Distribution Services, Inc. (Arkansas), Railroad Distribution Services, Inc. (Massachusetts), Debtors, in favor of Westfield Bank, Secured Party, filed with the Surface Transportation Board on June 9, 2003 under Recordation Number 24445.

The Amendment adds the following new parties as Debtors:

THE PRESCOTT AND NORTHWESTERN RAILROAD COMPANY
53 Southampton Road
Westfield, MA 01085

WARREN & SALINE RIVER RAILROAD COMPANY
53 Southampton Road
Westfield, MA 01085

Secretary
Surface Transportation Board
June 3, 2011
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A description of the equipment covered by the document is as follows:

"all rolling stock whether now owned or hereafter acquired" and includes the rolling stock of the new Debtors identified above and attached to the Amendment as Schedule A-1.

A fee of \$41.00 is enclosed. After recordation, please return the original Amendment to:

Paul M. Maleck, Esquire
Doherty, Wallace, Pillsbury and Murphy, P.C.
One Monarch Place, Suite 1900
Springfield, MA 01144-1900

Very truly yours.



Paul M. Maleck

PMM/jef

Enclosures: -First Amendment to Loan and Security Agreement (original and copy)
-\$41.00 Check
-Letter (copy)
-Return Envelope

cc: Allen J. Miles, III, Executive Vice President
Westfield Bank

JUN 10 '11 -2 06 PM

FIRST AMENDMENT TO THE LOAN AND SECURITY AGREEMENT TRANSPORTATION BOARD

FIRST AMENDMENT made as of this 27th day of May, 2011 (the "First Amendment") to the LOAN AND SECURITY AGREEMENT dated May 28, 2003 (as amended, the "Loan Agreement") by and among PINSLY RAILROAD COMPANY, a Delaware corporation with a usual address of 53 Southampton Road, Westfield, Massachusetts ("Pinsly"), ARKANSAS MIDLAND RAILROAD COMPANY, INC., a Delaware corporation with a usual address of 314 Reynolds Road, Building 41, Malvern, Arkansas ("Arkansas Midland"), FLORIDA CENTRAL RAILROAD COMPANY, INC. ("Florida Central"), FLORIDA MIDLAND RAILROAD COMPANY, INC. ("Florida Midland"), FLORIDA NORTHERN RAILROAD COMPANY, INC. ("Florida Northern"), all Florida corporations with a usual address of 3001 Orange Avenue, Plymouth, Florida, RAILROAD DISTRIBUTION SERVICES, INC., a Florida corporation with a usual address of Highway 17 North, Building 405, Bartow Municipal Airport, Bartow, Florida ("Railroad Distribution – Florida"), PIONEER VALLEY RAILROAD COMPANY, INC., a Nevada corporation with a usual address of 100 Springdale Road, Westfield, Massachusetts ("Pioneer Valley"), RAILROAD DISTRIBUTION SERVICES, INC., an Arkansas corporation with a usual address of 314 Reynolds Road, Building 41, Malvern, Arkansas ("Railroad Distribution – Arkansas"), RAILROAD DISTRIBUTION SERVICES, INC., a Massachusetts corporation with a usual address of 100 Springdale Road, Westfield, Massachusetts ("Railroad Distribution – Massachusetts"), THE PRESCOTT AND NORTHWESTERN RAILROAD COMPANY, an Arkansas corporation with a usual address of 53 Southampton Road, Westfield, Massachusetts ("Prescott and Northwestern"), and WARREN & SALINE RIVER RAILROAD COMPANY, an Arkansas corporation with a usual address of 53 Southampton Road, Westfield, Massachusetts ("Warren & Saline") and WESTFIELD BANK, a federally chartered thrift with a usual place of business at 141 Elm Street, Westfield, Massachusetts, (hereinafter referred to as the "Bank").

RECITALS

On or about May 28, 2003, Pinsly, Arkansas Midland, Florida Central, Florida Midland, Florida Northern, Railroad Distribution – Florida, Pioneer Valley, Railroad Distribution – Arkansas and Railroad Distribution – Massachusetts (collectively, the "Existing Borrowers") and the Bank entered into a commercial credit relationship evidenced by and including, without limitation: (i) a Revolving Line of Credit Loan in the original principal amount of up to Two Million Three Hundred Thousand (\$2,300,000.00) Dollars (the "Revolving Loan") evidenced by a Demand Revolving Business Credit Note in the original principal amount of up to Two Million Three Hundred Thousand (\$2,300,000.00) Dollars (the "Revolving Note") executed by the Existing Borrowers in favor of the Bank; (ii) a Letters of Credit Facility in the original aggregate amount of up to Five Million Nine Hundred Thousand (\$5,900,000.00) Dollars (the "Letters of Credit Facility") made available by the Bank to the Existing Borrowers; (iii) the Loan Agreement; (iv) a Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Approvals; and (v) other loan documents executed by the Existing Borrowers in favor of the Bank.

From 2003 to 2011, the Bank has continued to issue Letters of Credit.

The Existing Borrowers have notified the Bank that Deer Park Rail Services, Inc. (formerly one of the Existing Borrowers) has been dissolved. Simultaneously, the Existing Borrowers have made the Bank aware that Pinsly has purchased the stock of Prescott and Northwestern and Warren & Saline (collectively, the "New Borrowers"). The Bank is requiring the New Borrowers to become "Co-Borrowers" like all other existing Co-Borrowers who are affiliated with Pinsly. The Bank is requiring that the New Borrowers grant a security interest in all of their assets to the Bank, excluding the real estate assets, leasehold and motor vehicles of the New Borrowers. In connection therewith, the Bank is requiring the execution and delivery of certain documents by the Existing Borrowers and the New Borrowers (collectively, the "Borrowers"), inter alia, as follows: (i) a First Allonge to the Revolving Note, adding the New Borrowers, to be executed by the Borrowers in favor of the Bank; (ii) this First Amendment to Loan Agreement; (iii) a First Amendment to Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Approvals; (iv) a First Amendment to Cross-Collateralization and Cross-Default Agreement; (v) as well as the execution of such other agreements, and amendments or confirmations to certain other documents reasonably required by the Bank, which agreements, confirmations or amendments are dated of even date herewith (the foregoing, together with the original loan documents amended thereby, are hereinafter collectively the "Loan Documents").

AGREEMENT

In furtherance of the foregoing and in consideration of the mutual promises contained herein, the parties agree to amend the Loan Agreement, as follows:

1. Terms not otherwise defined in this Second Amendment shall have the same meanings as set forth in the Agreement.

2. Paragraph 1.1 of Section 1 of the Loan Agreement entitled: "Defined Terms" is hereby amended to delete only the definitions enumerated below as currently appear in the Agreement and to substitute the following in place thereof:

"Borrowers" shall mean, jointly and severally, collectively the Borrowers as defined above (including the New Borrowers) and any other Person who may become obligated for the Obligations (as hereinafter defined).

"Revolving Note" shall mean the Demand Revolving Business Credit Note dated May 28, 2003 in the original principal amount of up to Two Million Three Hundred Thousand (\$2,300,000.00) Dollars, as modified by a First Allonge to Demand Revolving Business Credit Note, of even date, executed by the Borrowers.

3. Section 4 entitled: "Conditions Precedent to Initial Advance" is hereby amended by adding the following new Section 4.6 at the end thereof:

"4.10. Conditions Precedent to Advances of the Revolving Loan.

The obligation of the Bank to make any future advances of the Revolving Loan shall be subject to the conditions precedent that the Bank shall have received, on or before the date of closing, the following:

4.10.1. Execution of the First Allonge to Demand Revolving Line of Credit Note. The First Allonge to Demand Revolving Line of Credit Note duly executed by the Borrowers (including the New Borrowers).

4.10.2. As to all New Borrowers. Evidence of authority and copies of actions taken by the New Borrowers authorizing execution, delivery and performance of the Loan Documents reasonably required by the Bank and relating to the First Allonge to Revolving Loan.

4.10.3. Additional Documents. It shall be a further condition of the First Allonge to Revolving Note that the Bank shall have been furnished with any such additional documents, reports, certificates, affidavits or other information in a form and substance satisfactory to the Bank as the Bank may reasonably require to evidence compliance by the Borrowers with all the provisions of the Loan Documents.

4.10.4 Grant of First Security Interest; Collateral of New Borrowers. Each of the New Borrowers hereby grants to the Bank a first security interest in all of their tangible and intangible assets, as more particularly described in Schedule A attached hereto, in the products and proceeds thereof, in all accessions and additions thereto, and in all replacement and substitutions therefor, including, without limitation, all rolling stock of the New Borrowers, as more particularly described in Schedule A-1 attached hereto, all of which, whether now owned or hereafter acquired shall be collectively referred to as the "Collateral". The security interest is hereby granted in order to secure payment and performance of all of New Borrowers' Obligations including, without limitation, the Revolving Note, the Letter of Credit Facility and all future debts, liabilities, advances and other Obligations of the Borrowers to the Bank. The security interest in the Collateral of the New Borrowers will be evidenced by the filing of UCC-1 Financing Statements and the filing of this Amendment with the Surface Transportation Board in order to perfect in the New Borrowers' rolling stock.

4.10.5. No Default. No Event of Default shall have occurred and be continuing under Section 12 of the Loan Agreement, provided, however, the Bank may in its sole discretion make advances notwithstanding the existence of a continuing Event of Default and any advance so made shall be deemed to have been made pursuant to the Loan Agreement.

4.10.6. Other Related Documents. The Bank shall have received from the Borrowers such approvals, opinions, certificates or documents as the Bank may reasonably request including:

4.10.6.1. A Certificate of Insurance relative to the New Borrowers indicating that the New Borrowers have casualty, property, and liability insurance as required by the Bank.

4.10.6.2. All other documents which are required in the reasonable discretion of the Bank and its counsel."

4. Representations, Warranties and Covenants. The Revolving Loan, as modified, shall be subject to all of the terms and conditions set forth in the Agreement and shall also be subject to such further terms and conditions as are set forth in this First Amendment. Without limiting the generality of the foregoing, the Borrower reaffirms all representations, warranties and covenants contained in Sections 8, 9, 10 and 11 of the Agreement as if such representations, warranties and covenants were being made as of the date of this First Amendment.

5. Confirmation of the Grant of a First Security Interest of the Existing Borrowers. The Existing Borrowers hereby grant, regrant, reaffirm and continue the grant of a first security interest in the Collateral, as defined and described in the Loan Agreement, as security for all of their Obligations.

6. In all other respects the Loan Agreement, is hereby confirmed and ratified and all terms and provisions not amended hereby shall remain in full force and effect.

[END OF AMENDMENT EXCEPT FOR SIGNATURE PAGE]

SCHEDULE A

a. All goods, fixtures, inventory, furnishings, equipment, machinery, chattels, accounts, accounts receivables, documents, instruments, payment rights, software, license fees, commercial deposit accounts, letter of credit rights, chattel paper and general intangibles, including payment intangibles and supporting obligations now owned or hereafter acquired by the Borrowers, all renewals or replacements thereof, articles in substitution thereof and parts therefor; all accessories, proceeds and profits thereof, including insurance proceeds; and all of the estate, right, title and interest of the Borrowers; wherever located, in and to all personal property of any nature whatsoever, now owned or hereafter acquired. The Debtors' Rolling Stock, listed on Schedule A-1, is also included in the Collateral.

Nothing contained herein, however, shall obligate the Bank to perform any obligations of the Borrowers unless it so chooses.

b. All rents, incomes, profits, revenues, royalties, bonuses, rights, accounts, contract rights, general intangibles and benefits under any and all leases or tenancies now existing or hereafter created on all of the premises where the Borrowers now or hereafter conducts its business (the "Premises"), or any part thereof with the right to receive and apply the same to the obligations of the Borrowers to the Bank, and the Bank may demand, sue for and recover such payments but shall not be required to do so.

c. All judgements, awards of damages and settlements hereafter made as a result of or in lieu of any taking of the Premises or any part thereof or interest therein under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises or the improvements thereon or any part thereof or interest therein, including any award for change of grade of streets.

d. All of Borrowers' right, title and interest in any and all claims to rebates, refunds, and abatements of real estate taxes pertaining to the Premises, or any portion thereof, with respect to tax periods arising at any time prior to the discharge hereof even though such taxes may relate to periods before the execution hereof, which rebates, refunds and abatements shall in the case of a default hereunder be applied to the obligations.

e. All other personal property of the Borrowers which constitutes equipment or other goods located at the Premises or any part thereof.

f. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

g. Excluding herefrom the Debtors' real estate interests, motor vehicles and Investment Portfolio (as defined in the Loan Agreement).

All terms used herein which are defined in Article 1 or Article 9 of the Uniform Commercial Code, as enacted in Massachusetts, shall have the meaning given therein unless otherwise defined.

SCHEDULE A-1
ROLLING STOCK OF NEW BORROWERS

**PRESCOTT & NORTHWESTERN RAILROAD COMPANY
LOCOMOTIVES**

<u>Company Name</u>	<u>Description</u>	<u>Model</u>	<u>School District / County</u>	<u>Acquisition Date</u>	<u>Acquisition Cost</u>	<u>Net Book Value</u>
PRESCOTT & NORTHWESTERN RAILROAD	LOCO #23	600 HP		04/01/10	\$87,000.00	\$82,650.00
PRESCOTT & NORTHWESTERN RAILROAD	LOCO #24	600 HP		04/01/10	62,000.00	58,900.00
PRESCOTT & NORTHWESTERN RAILROAD	LOCO #25	720 HP		04/01/10	25,000.00	23,750.00
PRESCOTT & NORTHWESTERN RAILROAD	LOCO #26	SW1200 EMD		04/01/10	156,000.00	148,200.00
Totals:	4	Locomotives			<u>\$330,000.00</u>	<u>\$313,500.00</u>

**WARREN & SALINE RIVER RAILROAD COMPANY
LOCOMOTIVES**

<u>Company Name</u>	<u>Description</u>	<u>Model</u>	<u>School District / County</u>	<u>Acquisition Date</u>	<u>Acquisition Cost</u>	<u>Net Book Value</u>
WARREN & SALINE RIVER RAILROAD	LOCO #538	1200 HP		04/01/10	\$10,000.00	\$9,500.00
Totals:					<u>\$10,000.00</u>	<u>\$9,500.00</u>