

**FIRST AMENDMENT AND CONSENT TO
CREDIT AGREEMENT AND LOAN DOCUMENTS**

This FIRST AMENDMENT AND CONSENT, dated as of August 22, 2005 (this “Amendment”), is by and among (a) ALLIED HOLDINGS, INC., a Georgia corporation (“Allied Holdings”), and ALLIED SYSTEMS, LTD. (L.P.), a Georgia limited partnership (“Allied Systems” and, together with Allied Holdings, “Borrowers”), each, a debtor and debtor-in-possession; (b) the other Credit Parties signatory hereto (the “Credit Party” and, together with the Borrowers, the “Credit Parties”); (c) GENERAL ELECTRIC CAPITAL CORPORATION, as Administrative Agent (in such capacity, the “Administrative Agent”), Collateral Agent, co-Revolver Agent and co-Syndication Agent (“GE Capital”); (d) MORGAN STANLEY SENIOR FUNDING, INC., as co-Term Loan B Agent, co-Syndication Agent, co-Bookrunner and co-Term Loan B Lead Arranger (“Morgan Stanley”); (e) MARATHON STRUCTURED FINANCE FUND, L.P., as co-Revolver Agent, Term Loan A Agent, co-Term Loan B Agent, Term Loan A Lead Arranger, co-Term Loan B Lead Arranger and co-Revolver Lead Arranger (“Marathon”); and (f) the other Lenders signatory hereto from time to time.

W I T N E S S E T H

WHEREAS, the Credit Parties, the Lenders party to the Credit Agreement from time to time, GE Capital, Morgan Stanley and Marathon are parties to that certain Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement, dated as of August 1, 2005 (including all annexes, exhibits and schedules thereto, and as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”); and

WHEREAS, the Administrative Agent and the Requisite Lenders have agreed to amend the Credit Agreement and consent to certain transactions in the manner, and on the terms and conditions, provided for herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

2. Amendment to Section 1.1 of the Credit Agreement.

(a) Section 1.1(a)(iii) of the Credit Agreement is hereby amended as of the Amendment Effective Date by adding the text “, notwithstanding any other provision herein to the contrary,” immediately preceding the text “shall be payable on demand” in the third sentence of such Section 1.1(a)(iii).

(b) Section 1.1(b)(iii) of the Credit Agreement is hereby amended as of the Amendment Effective Date by adding the following new sentence to the end of such Section 1.1(b)(iii):

“Notwithstanding anything herein to the contrary, the authority of Term Loan B Agent to make Term Loan B Protective Overadvances is limited to an aggregate amount not to exceed (A) \$1,600,000 at any time prior to the termination of the Revolving Loan Commitment, and (B) \$5,000,000 at any time when the Revolving

Loan Commitment has been terminated; provided that, in each case, Term Loan B Agent may make additional Term Loan B Protective Overadvances in excess of such amounts upon two (2) Business Days prior notice to Borrower Representative, its counsel, the Committee, counsel approved by the Bankruptcy Court for the Committee and the U.S. Trustee, and, if any objection is filed with the Bankruptcy Court with such two (2) Business Day period, upon the entry of a final order of the Bankruptcy Court authorizing such additional Term Loan B Protective Overadvances.”

3. Amendment to Section 1.7 of the Credit Agreement. Section 1.7 of the Credit Agreement is hereby amended as of the Amendment Effective Date by deleting clause (k) in its entirety and substituting in lieu thereof the following new clause (k):

“(k) intentionally omitted;”

4. Amendment to Section 1.9 of the Credit Agreement. Section 1.9(c) of the Credit Agreement is hereby amended as of the Amendment Effective Date by deleting the last sentence of such Section 1.9(c) in its entirety and substituting in lieu thereof the following new sentence:

“Notwithstanding the foregoing, no prepayment fee shall be payable by Borrowers upon (i) a mandatory prepayment of the Term Loan B made pursuant to Sections 1.3(b) or 1.16(c); provided that in the case of prepayments made pursuant to Sections 1.3(b)(ii), (iii) or (iv), the transaction giving rise to the applicable prepayment is expressly permitted under Section 6, and (ii) the emergence of the Borrowers from the Chapter 11 Cases on or prior to the date which is six (6) months following the Closing Date.”

5. Amendment to Section 1.11 of the Credit Agreement. Section 1.11(b) of the Credit Agreement is hereby amended as of the Amendment Effective Date by deleting the introductory clause to such Section 1.11(b) in its entirety and substituting in lieu thereof the following introductory clause:

“At any time (i) when an Event of Default has occurred and is continuing, or (ii) following the Commitment Termination Date, or (iii) with respect to the proceeds from a sale of all or substantially all of the Borrowers’ assets (it being understood that the Revolving Loan Commitment and Swing Line Commitment shall be permanently reduced by the amount of payments made from proceeds under this clause (iii)), payments by or on behalf of any Credit Party to any Agent or Lender shall be applied to amounts then due and payable in the following order:”.

6. Amendment to Section 6.3 of the Credit Agreement. Section 6.3(a) of the Credit Agreement is hereby amended as of the Amendment Effective Date by deleting clause (vii) in its entirety and substituting in lieu thereof the following new clause (vii):

“(vii) Indebtedness consisting of intercompany loans and advances made by any Credit Party to any other Credit Party; provided, that: (A) each Credit Party shall have executed and delivered to each other Credit Party, on the Collateral Documentation Date, an omnibus intercompany demand note (the “Intercompany

Note") to evidence any such intercompany Indebtedness owing at any time by such Credit Party to such other Credit Parties which Intercompany Note shall be in form and substance reasonably satisfactory to Agents and shall be pledged and delivered to Collateral Agent pursuant to the applicable Pledge Agreement or Security Agreement as additional collateral security for the Obligations; (B) each Credit Party shall record all intercompany transactions on its books and records in a manner reasonably satisfactory to Administrative Agent; (C) the obligations of each Credit Party under any such Intercompany Note shall be subordinated to the Obligations of such Credit Party pursuant to Section 12 hereof; and (D) no Default or Event of Default would occur and be continuing after giving effect to any such proposed intercompany loan;”

7. Amendment to Section 8.1 of the Credit Agreement. Section 8.1(m) of the Credit Agreement is hereby amended as of the Amendment Effective Date by deleting clause (ii) of such Section 8.1(m) and substituting in lieu thereof the following new clause (ii):

“(ii) the filing of any plan of reorganization or disclosure statement attendant thereto by a Borrower or any other Person that does not contain a provision for the termination of the Commitments and repayment in full in cash of all of the Obligations under this Agreement on or before the effective date of such plan or plans or to which Agents and Lenders do not consent or otherwise agree to the treatment of their claims;”.

8. Amendment to Section 8.2 of the Credit Agreement. Section 8.2(b) of the Credit Agreement is hereby amended as of the Amendment Effective Date by:

(a) deleting the text “Required Lenders” in the first proviso of such Section 8.2(b) and substituting in lieu thereof the text “Requisite Lenders”; and

(b) deleting the text “Revolving Agent” in the last sentence of such Section 8.2(b) and substituting in lieu thereof the text “Administrative Agent”.

9. Amendment to Section 9.1 of the Credit Agreement. Section 9.1(a)(i) of the Credit Agreement is hereby amended as of the Amendment Effective Date by adding the text “, which consent shall not be unreasonably withheld or delayed,” immediately following the text “(other than with respect to a Qualified Assignee)” in such Section 9.1(a)(i).

10. Amendment to Section 11.3 of the Credit Agreement. Section 11.3(b) of the Credit Agreement is hereby amended as of the Amendment Effective Date by deleting the text “clause (c)” in the second proviso of such Section 11.3(b) and substituting in lieu thereof the text “clause (b)”.

11. Amendment to Annex A of the Credit Agreement. Annex A of the Credit Agreement is hereby amended as of the First Amendment Effective Date by amending the definition of “Obligations” set forth in such Annex A by adding the text “and Lenders’ Affiliates” immediately after the text “any Lender” in the last sentence of the definition of “Obligations”.

12. Amendment to the Master Standby Agreement The Master Standby Agreement is hereby amended as of the Amendment Effective Date by adding at the end of the first paragraph of such agreement the following new sentence:

“For the avoidance of doubt, each “Credit” and “Standby Letters of Credit” referenced herein shall constitute a “Letter of Credit” issued under, and as defined in, the Credit Agreement, subject in all respects to the terms thereof, including without limitation the L/C Sublimit referenced therein.”

13. Consent to the Credit Agreement.

(a) The Credit Parties have informed Administrative Agent and the Lenders that they will be unable to deliver as of the date hereof a recordable Mortgage executed by Allied Systems for the Real Estate located at 85 Ransier Drive, West Seneca, New York, together with all other documents required by Section 5.11(a) of the Credit Agreement with respect to such Real Estate, other than current as built surveys, zoning letters and certificates of occupancy, as applicable, for such Real Estate (the “NY Real Estate Deliverables”). The Credit Parties have requested that, notwithstanding the requirements of Section 5.11(a) of the Credit Agreement which would otherwise require the delivery of the NY Real Estate Deliverables on or prior to the date hereof, Requisite Lenders consent to delivery of the NY Real Estate Deliverables to Administrative Agent on or prior to thirty (30) days following the date hereof, or such longer period consented to by Administrative Agent in its sole discretion (the “NY Real Estate Compliance Extension”). As of the Amendment Effective Date, subject to the terms hereof, Requisite Lenders hereby consent to the NY Real Estate Compliance Extension.

(b) The Credit Parties have also informed Administrative Agent and the Lenders that they will be unable to deliver as of the date hereof recordable Mortgages executed by (i) Allied Systems for the Real Estate set forth on Schedule I attached hereto and (ii) Allied Systems (Canada) Company for the Real Estate set forth on Schedule II attached hereto, in each case, together with all other documents required by Section 5.11(a) of the Credit Agreement with respect to such Real Estate, other than current as built surveys, which have been delivered, and certificates of occupancy, which have been delivered to the extent available (it being understood and agreed that no additional certificates of occupancy are required), in each case, as applicable, for such Real Estate (the “Real Estate Deliverables”). The Credit Parties have requested that, notwithstanding the requirements of Section 5.11(a) of the Credit Agreement which would otherwise require the delivery of the Real Estate Deliverables on or prior to the date hereof, Requisite Lenders consent to (A) delivery of the Real Estate Deliverables (other than the title insurance policies) and all requirements for the title insurance policies (other than the zoning reports) to Administrative Agent on or prior to five (5) Business Days from the date hereof, or such longer period consented to by Administrative Agent in its sole discretion and (B) delivery of the property zoning reports as soon as such reports can be practicably be obtained from the applicable Governmental Authorities (the “Real Estate Compliance Extension”). As of the Amendment Effective Date, subject to the terms hereof, Requisite Lenders hereby consent to the Real Estate Compliance Extension.

(c) The Credit Parties have informed Administrative Agent and the Lenders that Bank of America, N.A., has been unwilling to execute tri-party agreements

among the relevant Credit Parties, the Collateral Agent and Bank of America, N.A. as required by Annex C of the Credit Agreement. As a result, the Credit Parties have requested that, notwithstanding the requirements of Annex C of the Credit Agreement, Requisite Lenders consent to an extension of ninety (90) days following the Collateral Documentation Date (the “Blocked Account Agreement Extension”) to permit the Credit Parties to (i) move the relevant deposit accounts from Bank of America, N.A. to another depository bank, acceptable to Administrative Agent in its sole discretion, and (ii) comply with the requirements of Annex C of the Credit Agreement with respect to the execution and delivery of tri-party agreement(s) with such other depository bank. As of the Amendment Effective Date, subject to the terms hereof, Requisite Lenders hereby consent to the Blocked Account Agreement Extension.

(d) The Agents and the Lenders agree that, pending the sale of Kar-Tainer International, LLC (“Kar-Tainer”) as permitted by Section 6.8 of the Credit Agreement, Borrowers shall not be obligated to comply with Section 5.11(b) solely with respect to any filings with any Governmental Authority which may be required to perfect the Collateral Agent’s Lien on the Intellectual Property of Kar-Tainer unless the sale of Kar-Tainer is not consummated on or before October 31, 2005.

14. Representations and Warranties. To induce the Requisite Lenders to enter into this Amendment, each of the Credit Parties executing this Amendment, jointly and severally, makes the following representations and warranties:

(a) The execution, delivery and performance by such Credit Party of this Amendment: (i) are within such Credit Party’s power; (ii) have been duly authorized by all necessary corporate, limited liability company or limited partnership action; (iii) do not contravene any provision of such Credit Party’s charter, bylaws or partnership or operating agreement as applicable; (iv) do not violate any law or regulation, or any order or decree of any court or Governmental Authority; (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Credit Party is a party or by which such Credit Party or any of its property is bound; (vi) do not result in the creation or imposition of any Lien upon any of the property of such Credit Party; and (vii) do not require the consent or approval of any Governmental Authority or any other Person.

(b) This Amendment has been duly executed and delivered by or on behalf of such Credit Party.

(c) Each of this Amendment and the Credit Agreement constitutes a legal, valid and binding obligation of such Credit Party, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relative to or affecting the enforcement of creditors’ rights generally in effect from time to time and by general principles of equity.

(d) No Default or Event of Default has occurred and is continuing after giving effect to this Amendment.

(e) Other than the commencement of the Chapter 11 Cases, no action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of such Credit Party, threatened against such Credit Party, before any Governmental Authority or before any arbitrator or panel of arbitrators, (i) that challenges such Credit Party's right or power to enter into or perform any of its obligations under this Amendment or the other Loan Documents to which it is a party, or the validity or enforceability of any Loan Document or any action taken thereunder, or (ii) that has a reasonable risk of being determined adversely to any Credit Party and that, if so determined, would reasonably be expected to have a Material Adverse Effect.

(f) The representations and warranties of such Credit Party contained in the Credit Agreement and each other Loan Document shall be true and correct on and as of the Amendment Effective Date with the same effect as if such representations and warranties had been made on and as of such date, except that any such representation or warranty which is expressly made only as of a specified date need be true only as of such date.

15. No Other Consents/Waivers. Except as expressly provided herein, (a) the Credit Agreement shall be unmodified and shall continue to be in full force and effect in accordance with its terms and (b) this Amendment shall not be deemed a waiver of any term or condition of any Loan Document and shall not be deemed to prejudice any right or rights which any Agent or any Lender may now have or may have in the future under or in connection with any Loan Document or any of the instruments or agreements referred to therein, as the same may be amended from time to time.

16. Outstanding Indebtedness; Waiver of Claims. The Credit Parties hereby acknowledge and agree that as of August 22, 2005, the aggregate outstanding principal amount of the (i) Revolving Loan is \$88,323,785.04, (ii) Term Loan A is \$20,000,000 and (iii) Term Loan B is \$80,000,000 (collectively, the "Outstanding Obligations"), and that such principal amounts are payable pursuant to the Credit Agreement without defense, offset, withholding, counterclaim or deduction of any kind. Each of the Credit Parties hereby waives, releases, remises and forever discharges Agents, the Lenders and each other Indemnified Person from any and all claims, suits, actions, investigations, proceedings or demands arising out of or in connection with the Credit Agreement (collectively, "Claims"), whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law of any kind or character, known or unknown, which such Credit Parties ever had, now has or might hereafter have against Agents or the Lenders which relates, directly or indirectly, to any acts or omissions of Agents, the Lenders or any other Indemnified Person on or prior to the date hereof; provided that, Credit Parties do not waive any Claim solely to the extent such Claim relates to any Agent's or any Lender's gross negligence or willful misconduct.

17. Expenses. Borrowers hereby reconfirm their obligations pursuant to Section 11.3 of the Credit Agreement to pay and reimburse Agents for all reasonable costs and expenses (including, without limitation, reasonable fees of counsel) incurred in connection with the negotiation, preparation, execution and delivery of this Amendment and all other documents and instruments delivered in connection herewith.

18. Effectiveness. This Amendment shall become effective as of the date hereof (the “Amendment Effective Date”) only upon satisfaction in full in the judgment of Administrative Agent of each of the following conditions:

(a) Amendment. Administrative Agent shall have received ten (10) original copies of this Amendment duly executed and delivered by Credit Parties and the Requisite Lenders.

(b) Payment of Expenses. Borrowers shall have paid to Agents all costs, fees and expenses invoiced and owing in connection with this Amendment and the other Loan Documents and due to Agents (including, without limitation, reasonable legal fees and expenses).

(c) Representations and Warranties. The representations and warranties of or on behalf of the Credit Parties in this Amendment shall be true and correct on and as of the Amendment Effective Date.

19. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

20. Counterparts. This Amendment may be executed by the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this Amendment has been duly executed as of the date first written above.

BORROWERS:

ALLIED HOLDINGS, INC.

By: Thomas H. King
Name: Thomas H. King
Title: Exec Vice President & CFO

ALLIED SYSTEMS, LTD. (L.P.)

By: Thomas H. King
Name: Thomas H. King
Title: Exec VP & Asst Treasurer

LENDERS:

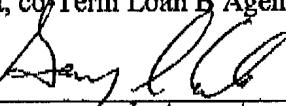
**GENERAL ELECTRIC CAPITAL
CORPORATION**, as Administrative Agent,
Collateral Agent, co-Revolver Agent and Lender

By: Charles H. Fenton, Jr.
Name: Charles H. Fenton, Jr.
Title: Duly Authorized Signatory

**MORGAN STANLEY SENIOR FUNDING,
INC., as co-Term Loan B Agent, co-Syndication
Agent and Lender**

By: J. H. H.
Name: Jason Colacelli
Title: Authentic- al Signer

**MARATHON STRUCTURED FINANCE
FUND, L.P., as co-Revolver Agent, Term Loan
A Agent, co-Term Loan B Agent and Lender**

By: 
Name: Gary L. Lembard
Title: Director

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**FORTRESS CREDIT OPPORTUNITIES I
LP., as Lender**

By: 
Name: **MARC K. FURSTEIN**
Title: **CHIEF OPERATING OFFICER**

Barclays Bank, NY Branch as Lender

By: Lawrence Sola

Name: Lawrence Sola

Title: ATTORNEY-IN-FACT

HAMPTON FUNDING LLC, as Lender



By: _____
Name: Ann E. Morris
Title: Assistant Vice President

The following Persons are signatory to this Amendment in their capacity as Credit Parties and not as the Borrowers.

ACE OPERATIONS, LLC

By: Chm NK
Name: Thomas H. King for Axis Group INC
Title: Sole member ACE Operations LLC

AH INDUSTRIES INC.

By: CHM K
Name: Thomas H King
Title: Exec VP & Asst Treasurer

ALLIED AUTOMOTIVE GROUP, INC.

By: CHM K
Name: Thomas H King
Title: Exec VP & Asst Treasurer

ALLIED FREIGHT BROKER LLC

By: CHM K
Name: Thomas H King
Title: Exec VP & Asst Treasurer

ALLIED SYSTEMS (CANADA) COMPANY

By: CHM K
Name: Thomas H. King
Title: Exec VP & Asst Treasurer

AXIS ARETA, LLC

By: CHM K
Name: Thomas H. King for Kar-Tainer
Title: International Sole member
AXIS Areta, LLC

AXIS CANADA COMPANY

By: CHM K
Name: Thomas H. King
Title: Exec VP & Asst Treasurer

AXIS GROUP, INC.

By: Tom NK
Name: Thomas H. King
Title: Exec VP & Asst Treasurer

AXIS NETHERLANDS, LLC

By: CHW
Name: Thomas H King for Axis Group Inc
Title: sole member Axis Netherlands LLC

COMMERCIAL CARRIERS, INC

By: CKK
Name: Thomas H King
Title: Exec VP & Asst Treasurer

CORDIN TRANSPORT LLC

By: Cat
Name: Thomas H King
Title: _____

CT SERVICES, INC.

By: CHT
Name: Thomas H. King
Title: Exec VP & Ass't Treasurer

F.J. BOUTELL DRIVEAWAY LLC

By: CD King
Name: Thomas A King
Title: Exec VP & Asset Treasurer

GACS INCORPORATED

By: CHK
Name: Thomas H King for Allied
Title: Automotive Group Inc 50%
member GACs Incorporated

KAR-TAINER INTERNATIONAL LLC

By: CHK
Name: Thomas H King
Title: Exec VP & Asst Treasurer

LOGISTIC SYSTEMS, LLC

By: CHK
Name: Thomas H King for Kar-Tainer
Title: International sole member of
Logistic Systems LLC

LOGISTIC TECHNOLOGY, LLC

By: CHK
Name: Thomas H King for Kar-Tainer
Title: International sole member of
Logistic Technology LLC

QAT, INC.

By: CHK
Name: Thomas H King
Title: Exec VP & Asst Treasurer

RMX LLC

By: CHK
Name: Thomas H King
Title: Exec VP & Asst Treasurer

TERMINAL SERVICES LLC

By: CHK
Name: Thomas H King
Title: Exec VP & Asst Treasurer

TRANSPORT SUPPORT LLC

By: CHK
Name: Thomas H King
Title: Exec VP & Asst Treasurer

SCHEDULE I

Outstanding U.S. Real Estate Items

1. 6709 Grade Lane, Louisville, Kentucky
2. 239 Triport Road, Georgetown, Kentucky
3. 1240 Claycomo Road, Claycomo, Missouri
4. 355 Old Highway 67, Midlothian, Texas
5. 9450 Ideal Avenue South, Cottage Grove, Minnesota
6. 6301 Wyoming Avenue, Dearborn, Michigan
7. 19550 Smokey Road, Marysville, Ohio
8. 12502 Fogwell Parkway, Fort Wayne, Indiana
9. 83 Nickerson Road, Ashland, Massachusetts
10. 25 Southside Industrial Parkway, Hapeville, Georgia
11. 1500 Winder Hwy, Dacula, Georgia
12. 111 Burroughs Avenue, Columbia (Cayce), South Carolina
13. 2355 Frisco Avenue, Memphis, Tennessee

SCHEDULE II

Outstanding Canadian Real Estate Items

1. 737 Plinguet Road, Winnipeg, Manitoba
2. 6151 Colonel Talbot Road, London, Ontario
3. 1790 Provincial Road, Windsor, Ontario