



RECORDATION NO. 31867
FILED AUGUST 19, 2015 3:37 PM
SURFACE TRANSPORTATION BOARD

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August 19, 2015

Via E-Filing

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001
Attention: Chief of the Section of Administration

Dear Section Chief:

Enclosed for electronic filing and recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) is an executed copy of the Memorandum of Security Agreement, dated as of August 19, 2015 (the "Memorandum") between Siemens Financial Services, Inc., as Administrative Agent, as secured party, and the following entities as debtors: Regional Rail Holdings, LLC, Regional Rail, LLC, East Penn Railroad, LLC, Middletown & New Jersey Railroad, LLC, Tyburn Railroad LLC, Regional Transload LLC, and Diamondback Signal, LLC, which Memorandum is a primary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

The names and address of the parties to the enclosed Memorandum are:

Secured Party: Siemens Financial Services, Inc., as Administrative Agent
170 Wood Avenue South
Iselin, NJ 08830

Debtors: c/o Levine Leichtman Capital Partners, Inc.
335 North Maple Drive, Suite 130
Beverly Hills, California 90210

The enclosed Memorandum covers all locomotives, railcars and other rolling stock and rail assets now owned or hereafter acquired by the Debtors, including the rolling stock and rail assets identified on Schedule 1 to the enclosed Memorandum.



Surface Transportation Board
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The required recordation fee of \$43.00 is being paid to the Surface Transportation Board by charge to our firm account.

Kindly return a file-stamped copy of the Memorandum and this letter to Susan G. Lichtenfeld at DLA Piper LLP (US), 203 North LaSalle Street, Suite 1900, Chicago, Illinois 60601.

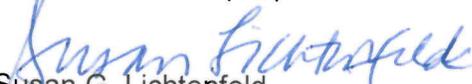
Following is a short summary of the enclosed document:

Primary Document to be Recorded

Memorandum of Security Agreement dated as of August 19, 2015, between Siemens Financial Services, Inc., as Administrative Agent, as secured party, and the following entities as debtors: Regional Rail Holdings, LLC, Regional Rail, LLC, East Penn Railroad, LLC, Middletown & New Jersey Railroad, LLC, Tyburn Railroad LLC, Regional Transload LLC, and Diamondback Signal, LLC, relating to all locomotives, railcars and other rolling stock and rail assets now owned or hereafter acquired by the Debtors, including the rolling stock and rail assets identified on Schedule 1 to such Memorandum.

Sincerely,

DLA PIPER LLP (US)


Susan G. Lichtenfeld

SGL/rc
Enclosure

MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT (“**Memorandum**”), dated as of August 19, 2015, is made by and among Regional Rail Holdings, LLC, Regional Rail, LLC, East Penn Railroad, LLC, Middletown & New Jersey Railroad, LLC, Tyburn Railroad LLC, Regional Transload LLC, and Diamondback Signal, LLC (collectively, “**Debtors**”), and Siemens Financial Services, Inc., as the Administrative Agent (“**Administrative Agent**”).

This Memorandum relates to that certain Security Agreement dated as of August 21, 2015 from the Debtors to the Administrative Agent (“**Security Agreement**”) under which the Debtors granted and transferred to the Administrative Agent a security interest in the Debtors’ Collateral (as defined in the Security Agreement).

The Collateral includes all Rolling Stock and Rail Assets (each as defined in the Security Agreement) **now owned or hereafter acquired** by the Debtors or any of them, and the proceeds and accessions of and to any thereof, including without limitation the locomotives, railcars and other rolling stock and rail assets identified on Schedule 1 hereto (“**Rail Equipment**”).

The Administrative Agent and the Debtors hereby affirm and acknowledge that the Debtors have granted the Administrative Agent a first priority security interest in the Collateral comprising Rail Equipment and such other rolling stock and rail assets **now owned or hereafter acquired** by the Debtors or any of them. This Memorandum is not a summary of the Security Agreement nor a complete recitation of the terms and provisions thereof. The Administrative Agent and the Debtors agree that in the event of a conflict between this Memorandum and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

This Memorandum may be executed in any number of identical counterparts, and each executed counterpart shall constitute an original but all together shall constitute only one and the same instrument.

The Administrative Agent may, at its option, file this Memorandum with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a).

IN WITNESS WHEREOF, Debtors and Administrative Agent, pursuant to due corporate authority, have caused this Memorandum to be executed by their respective duly authorized officer as of the date first above written.

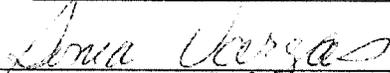
[Signature Page Follows]

ADMINISTRATIVE AGENT:

I certify that I hold the title set forth below, that this instrument was signed on behalf of Siemens Financial Services, Inc., by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of Siemens Financial Services, Inc. I further declare under penalty of perjury that the foregoing is true and correct.

SIEMENS FINANCIAL SERVICES, INC.

BY: 
ITS: William Jentsch
Vice President

BY: 
ITS: Sonia Vargas
Sr. Loan Closer

DEBTORS:

I certify that I hold the title set forth below, that this instrument was signed on behalf of REGIONAL RAIL HOLDINGS, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of REGIONAL RAIL HOLDINGS, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

I certify that I hold the title set forth below, that this instrument was signed on behalf of REGIONAL RAIL, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of REGIONAL RAIL, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

REGIONAL RAIL HOLDINGS, LLC

REGIONAL RAIL, LLC

BY: _____
ITS: _____

BY: _____
ITS: _____

I certify that I hold the title set forth below, that this instrument was signed on behalf of EAST PENN RAILROAD, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of EAST PENN RAILROAD, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

I certify that I hold the title set forth below, that this instrument was signed on behalf of MIDDLETOWN & NEW JERSEY RAILROAD, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of MIDDLETOWN & NEW JERSEY RAILROAD, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

EAST PENN RAILROAD, LLC

MIDDLETOWN & NEW JERSEY RAILROAD, LLC

BY: _____
ITS: _____

BY: _____
ITS: _____

ADMINISTRATIVE AGENT:

I certify that I hold the title set forth below, that this instrument was signed on behalf of Siemens Financial Services, Inc., by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of Siemens Financial Services, Inc. I further declare under penalty of perjury that the foregoing is true and correct.

SIEMENS FINANCIAL SERVICES, INC.

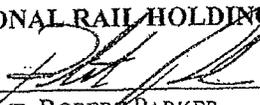
BY: _____
ITS: _____

DEBTORS:

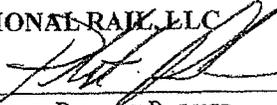
I certify that I hold the title set forth below, that this instrument was signed on behalf of REGIONAL RAIL HOLDINGS, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of REGIONAL RAIL HOLDINGS, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

I certify that I hold the title set forth below, that this instrument was signed on behalf of REGIONAL RAIL, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of REGIONAL RAIL, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

REGIONAL RAIL HOLDINGS, LLC

BY: 
NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE OFFICER

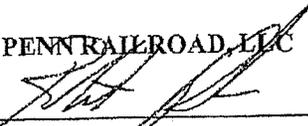
REGIONAL RAIL, LLC

BY: 
NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE OFFICER

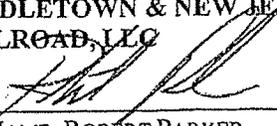
I certify that I hold the title set forth below, that this instrument was signed on behalf of EAST PENN RAILROAD, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of EAST PENN RAILROAD, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

I certify that I hold the title set forth below, that this instrument was signed on behalf of MIDDLETOWN & NEW JERSEY RAILROAD, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of MIDDLETOWN & NEW JERSEY RAILROAD, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

EAST PENN RAILROAD, LLC

BY: 
NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE OFFICER

MIDDLETOWN & NEW JERSEY RAILROAD, LLC

BY: 
NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE OFFICER

I certify that I hold the title set forth below, that this instrument was signed on behalf of TYBURN RAILROAD LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of TYBURN RAILROAD LLC. I further declare under penalty of perjury that the foregoing is true and correct.

TYBURN RAILROAD LLC

BY: _____

NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE
OFFICER

I certify that I hold the title set forth below, that this instrument was signed on behalf of REGIONAL TRANSLOAD LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of REGIONAL TRANSLOAD LLC. I further declare under penalty of perjury that the foregoing is true and correct.

REGIONAL TRANSLOAD LLC

BY: _____

NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE
OFFICER

I certify that I hold the title set forth below, that this instrument was signed on behalf of DIAMONDBACK SIGNAL, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of DIAMONDBACK SIGNAL, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

DIAMONDBACK SIGNAL, LLC

BY: _____

NAME: JOHN BRUNNER
ITS: PRESIDENT

I certify that I hold the title set forth below, that this instrument was signed on behalf of TYBURN RAILROAD LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of TYBURN RAILROAD LLC. I further declare under penalty of perjury that the foregoing is true and correct.

TYBURN RAILROAD LLC

By: _____
NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE
OFFICER

I certify that I hold the title set forth below, that this instrument was signed on behalf of REGIONAL TRANSLOAD LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of REGIONAL TRANSLOAD LLC. I further declare under penalty of perjury that the foregoing is true and correct.

REGIONAL TRANSLOAD LLC

By: _____
NAME: ROBERT PARKER
ITS: PRESIDENT AND CHIEF EXECUTIVE
OFFICER

I certify that I hold the title set forth below, that this instrument was signed on behalf of DIAMONDBACK SIGNAL, LLC, by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of DIAMONDBACK SIGNAL, LLC. I further declare under penalty of perjury that the foregoing is true and correct.

DIAMONDBACK SIGNAL, LLC

By: 
NAME: JOHN BRUNNER
ITS: PRESIDENT

SCHEDULE 1
TO MEMORANDUM OF SECURITY AGREEMENT

RAIL EQUIPMENT

Locomotives:

Road Mark and Number	Locomotive Type
GMTX 2173	GP-38-2
GMTX 2179	GP-38-2
GMTX 2800	GP-38-3
ESPN 1800	GP-18
ESPN 2202	GP-10
ESPN 81	NW-2
ESPN 3153	B-23-7
ESPN 7554	GP-10
ESPN 1802	GP-18
ESPN 52	SW-900
ESPN 1804	GP-18
GMTX 2801	GP-38-3
ESPN 7874	B-30-7
ESPN 2204	B-23-7
MNJ 2	44 Tonner
ESPN 1701	GP-9
ESPN 5114	B-23-7
ESPN7811	B-30-7
MNJ 77	GP-10
TYBR 400	44 Tonner
TYBR 390	44 Tonner