



RECORDATION NO 31101 FILED
MARCH 07, 2014 01:25 PM
SURFACE TRANSPORTATION BOARD

DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601-1293
T 312.368.4000
F 312.236.7516
W www.dlapiper.com

SUSAN G. LICHTENFELD
susan.lichtenfeld@dlapiper.com
Direct Phone: 312-368-2125
Direct Fax: 312-630-6338

March 7, 2014

VIA E-FILING

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

Dear Section Chief:

Enclosed for electronic filing and recordation with the Surface Transportation Board ("STB") pursuant to the provisions of 49 U.S.C. Section 11301(a) is an executed copy of the Memorandum dated as of February 28, 2014 of Locomotive Mortgage and Security Agreement dated as of February 28, 2014 between St. Maries River Railroad Company ("Borrower") and Numerica Credit Union ("Lender"), such memorandum being hereinafter referred to as the "Memorandum", which Memorandum is a primary document as defined in the STB's Rules for the Recordation of Documents. The Memorandum relates to that certain Locomotive Mortgage and Security Agreement dated as of February 28, 2014 ("Security Agreement") between Lender and Borrower under which Borrower granted to Lender a first priority lien on and security interest in the five locomotives identified on Schedule 1 to the Memorandum.

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

Lender: Numerica Credit Union
(secured party) PO Box 400
Spokane Valley, Washington 99037

Borrower: St. Maries River Railroad Company
(debtor) 500 Riverside Avenue
Orofino, Idaho 83544

The five locomotives subject to the Memorandum are marked as: Unit 101, Unit 102, Unit 103, Unit 501 and Unit 502, and are further described on Schedule 1 to the Memorandum.



Surface Transportation Board
March 7, 2014
Page 2

The required recordation fee of \$44.00 is being paid to the STB 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 dated as of February 28, 2014 of Locomotive Mortgage and Security Agreement dated as of February 28, 2014 between St. Maries River Railroad Company and Numerica Credit Union.

Very truly yours,

DLA Piper LLP (US)


Susan G. Lichtenfeld

Enclosure

RECORDATION NO 31101 FILED
MARCH 07, 2014 01:25 PM
SURFACE TRANSPORTATION BOARD

MEMORANDUM

DATED AS OF FEBRUARY 28, 2014

OF

LOCOMOTIVE MORTGAGE AND SECURITY AGREEMENT

DATED AS OF FEBRUARY 28, 2014

BETWEEN

ST MARIES RIVER RAILROAD COMPANY

("BORROWER")

AND

NUMERICA CREDIT UNION

("LENDER")

WHEREAS, the Borrower and the Lender entered into that certain Business Loan Agreement, dated as of February 28, 2014, (as amended, restated or otherwise modified from time to time, the "Loan Agreement") pursuant to which the Lender agreed to extend to the Borrower a term loan to be evidenced by a promissory note payable by the Borrower to the order of the Lender;

WHEREAS, the Borrower and the Lender entered into a certain Locomotive Mortgage and Security Agreement, dated as of February 28, 2014 (as amended, restated or otherwise modified from time to time, the "Security Agreement") pursuant to which the Borrower granted a security interest in favor of the Lender to secure the loan extended under the Loan Agreement (the "Loan");

WHEREAS, it is a condition precedent to the obligation of the Lender to make and maintain the Loan that a memorandum of the Security Agreement (the "Memorandum") set forth herein is to be filed and recorded with the Surface Transportation Board.

1. Definitions. Except as otherwise defined in this Memorandum, terms defined in the Loan Agreement or by reference therein are used herein as defined therein.

2. Security Interest. Subject to the terms, conditions, covenants and agreements set forth in the Loan Agreement and the Security Agreement and pursuant thereto, the Borrower assigned, mortgaged, pledged, hypothecated, transferred and set over to the Lender and granted to the Lender a first priority lien on and security interest in all of the Grantor's right, title and interest in and to the equipment more fully described on Schedule 1 hereto and to the Security Agreement and agreed that such equipment shall constitute Collateral subject to the grant of security by the Borrower set forth in the Security Agreement.

3. Conflict. This Memorandum is not a summary of the Loan Agreement or the Security Agreement, nor a complete recitation of the terms and provisions thereof. The Borrower and the Lender agree that in the event of a conflict between this Memorandum and the provisions of the Loan Agreement or the Security Agreement, as the case may be, the provisions of the Loan Agreement or the Security Agreement, as the case may be, shall control.

4. Counterparts. This Memorandum may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Memorandum by signing any such counterpart;

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Memorandum in one or more counterparts as of the date first set forth above.

ST MARIES RIVER RAILROAD
COMPANY

By: MICHAEL W WILLIAMS
Name: Michael W Williams
Title: President

NUMERICA CREDIT UNION

By: Chris Gunning
Name: Chris Gunning
Title: Commercial Lending
Team Leader

[Signature Page to Memorandum]

STATE OF Washington
)ss.
COUNTY OF Spokane)

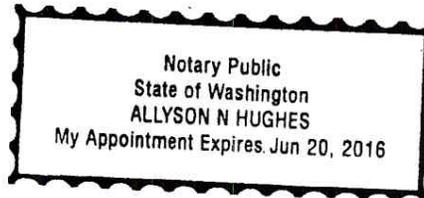
On this 1 day of ~~February, 2012~~ March, 2014, before me appeared, to me personally known, who being by me duly sworn did say that he is the Chris Gunnery of NUMERICA CREDIT UNION and that said instrument was signed and sealed in behalf of said bank by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Allyson N Hughes
Notary Public

My commission expires:

June 20, 2016



SCHEDULE 1
COLLATERAL DESCRIPTION

Locomotives

Description	Road or Serial Number
GP9, 1750HP	Unit 101
GP9, 1750HP	Unit 102
GP9, 1750HP	Unit 103
SW1200 Switcher 1200	Unit 501
SW1200 Switcher 1200	Unit 502