

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1666
CHICAGO, ILLINOIS 60604-1228
TELEPHONE (312) 236-0204
mcfarland@aol.com

RECORDATION NO. 32314-B FILED

SEP 14 2016 -9 :51 AM

SURFACE TRANSPORTATION BOARD

THOMAS F. MCFARLAND

September 9, 2016

By UPS overnight mail
(Monday delivery)

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Dear Ms. Brown:

I am hereby enclosing duplicate originals of the documents identified below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The documents for recording are:

- (1) Loan and Security Agreement
- (2) Promissory Note
- (3) Corporate Guaranty

Those documents are primary documents all of which are dated September 7, 2016, and all of which are part of a single loan transaction.

The names and addresses of all of the parties to the documents are as follows:

- (1) Lender-Secured Party - Mississippi Transportation Commission, 401 N. West Street, Jackson, MS 39201
- (2) Lendee - Grenada Railroad, LLC, 118 South Clinton, Suite 400, Chicago, IL 60661
- (3) Guarantor - Iowa Pacific Holdings, LLC, 118 South Clinton, Suite 400, Chicago, IL 60661

The equipment covered by the transaction is railroad passenger equipment used and required for interstate rail transportation subject to the jurisdiction of the Surface Transportation

THOMAS F. MCFARLAND

Ms. Cynthia T. Brown, Chief
September 9, 2016
Page 2

Board. The specific railroad passenger equipment that constitutes collateral for the transaction is identified in Exhibit 1 attached to this letter. The listing in Exhibit 1 includes the identifying marks associated with each piece of equipment, and the common designations by which the equipment is known.

A filing fee of \$45 is enclosed for recording the documents.

An original of the recorded documents should be returned to the undersigned as attorney for the Lender-Secured Party.

A short summary for the index is:

A Loan and Security Agreement and Promissory Note, evidencing a loan by Mississippi Transportation Commission, 401 N. West Street, Jackson, MS 39201, to Grenada Railroad, LLC, 118 S. Clinton Street, Chicago, IL 60661, guaranteed by Iowa Pacific Holdings, LLC, 118 S. Clinton Street, Chicago, IL 60661, dated September 7, 2016, and covering certain railroad passenger equipment identified in Exhibit 1 attached to this letter.

Respectfully submitted,



Thomas F. McFarland
*Attorney for Mississippi
Transportation Commission*

TMcF:kl:enc:\1740\ltrSTB1

cc: Ms. Melinda L. McGrath, *by first-class, U.S. mail*
Roy M. Tipton, Esq., *by first-class, U.S. mail*
Mr. Ed Ellis, *by first-class, U.S. mail*

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mcfarland@aol.com

THOMAS F. MCFARLAND

September 12, 2016

By UPS overnight mail

Ms. Karen January
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Dear Ms. January:

Per telephone conversation today, hereby forwarded is a check for \$80 to cover the additional filing fee for the Promissory Note and Corporate Guaranty in conjunction with a Loan and Security Agreement sent to you for filing on September 12.

Respectfully submitted,

Tom McFarland

Thomas F. McFarland
*Attorney for Mississippi
Transportation Commission*

TMcf:mg:enc:\1740\ltrSTB2



Iowa Pacific Holdings, LLC
Rolling Stock Collateral for Mississippi Department of Transportation

Report Mark	Number	Name	Original RR	Type of car	Builder	Year Built	Orderly Liquidation Value
SLRG	511	"Scenic View"	ATSF	Full Dome table	Budd	1954	5,430,000
SLRG	554	"Summit View"	ATSF	Full Dome	Budd	1954	1,800,000
SLRG	132	"Lock Haven Inn"	PRR	coach	Budd	Circa 1950	80,000
SLRG	133	"Chambersburg Inn"	PRR	coach	Budd	Circa 1950	450,000
SLRG	140	"Tyrone Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	145	"Carnegie Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	146	"Bucyrus Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	149	"Steubenville Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	5525	"Echo Canyon"	Union Pacific	44 seat coach	Budd	1961	80,000
SLRG	2912	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
SLRG	2915	LIRR Coach	Long Island Railroad	Comuter Coach	Pullman	1955	25,000
RPCX	2958	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
RPCX	2960	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
RPCX	2967	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
RPCX	2976	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
SLRG	1100	EMD F10 Locomotive	GM&O		EMD	1950	200,000
SLRG	455/245	EMD F40PH/Slug	Amtrak		EMD	Circa 1976-80	275,000
SLRG	459/257	EMD F40PH/Slug	Amtrak		EMD	Circa 1976-80	275,000

Ltr to C. Brown (STB)
September 9, 2016
Exhibit 1

SEP 14 2016 -9 :51 AM

CORPORATE GUARANTY

SURFACE TRANSPORTATION BOARD

This Corporate Guaranty ("Guaranty") is executed and delivered effective as of ~~August~~ ^{SEPTEMBER} 7, 2016, by **IOWA PACIFIC HOLDINGS, LLC**, an Illinois limited liability company whose address is 118 South Clinton Street, Chicago, Illinois 60661 ("Guarantor"), in favor of the Mississippi Transportation Commission, a body corporate and politic of the State of Mississippi ["Commission"] with offices at 401 N. West St, Jackson, Mississippi 39201.

RECITALS~~SEPTEMBER~~

A. Reference is made to that certain Promissory Note (the "Promissory Note") dated as of ~~August~~ ^{SEPTEMBER} 7, 2016, by and between Grenada Railroad, LLC, an Illinois limited liability company, as "Maker";

B. Reference is also made to that certain Loan and Security Agreement (the "Loan and Security Agreement") dated as of ~~August~~ ^{SEPTEMBER} 7, 2016, between and among Grenada Railroad, LLC, as "Borrower"; Iowa Pacific Holdings, LLC, as "Guarantor"; and the Mississippi Transportation Commission ("Commission") by and through its Executive Director of its Department of Transportation ("MDOT") (as in such Loan and Security Agreement, the Commission and MDOT are collectively referred to herein as the "State")

C. Pursuant to this Guaranty, Guarantor has agreed to guarantee payment, on or before the Maturity Date August 1, 2021, the principal sum of Four Million Three Hundred Thousand and no/100 Dollars (\$4,300,000.00) or, if less, the aggregate amount of the amount advanced by the State to Grenada Railroad, LLC and unpaid pursuant to the Loan and Security Agreement.

D. Grenada Railroad, LLC is a wholly-owned subsidiary of Guarantor.

E. Guarantor acknowledges and agrees that (i) Guarantor has an interest in Grenada Railroad, LLC and acknowledges that Guarantor will derive and continue to derive benefits from the Loan and Security Agreement, (ii) Guarantor's execution and delivery of this Guaranty are a material inducement to the State entering into the Loan and Security Agreement, and (iii) without this Guaranty, the State would not have entered into the Loan and Security Agreement.

F. In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of such consideration are hereby acknowledged by Guarantor, Guarantor hereby covenants unto and agrees with the State as set forth in this Guaranty.

AGREEMENT**1. Definitions.**

A. "Covenants" shall mean all now existing or hereafter arising covenants, duties, obligations and agreements of Guarantor to and with the State regarding the Loan and Security Agreement.

B. "Event of Default" shall mean where Guarantor fails or neglects to perform, keep or observe in all material respects any term, provision, condition, warranty, representation or covenant contained in this Guaranty.

C. "Guarantor's Liabilities" shall mean, individually and collectively, all amounts of any kind, nature or description whatsoever owed to the State under the Loan and Security Agreement. The liability of the Guarantor hereunder is limited to the sum of \$4,300,000.00 plus interest (the "Guaranteed Amount"), plus any enforcement costs required to be paid by Guarantor hereunder; provided, however, that upon any payment made by Grenada Railroad LLC, or any affiliate of Grenada Railroad LLC to the State under the Loan and Security Agreement, the Guaranteed Amount shall be automatically reduced by the amount of any such payment.

2. **Guaranty.**

A. Guarantor hereby (i) unconditionally guaranties the full and timely payment of Guarantor's Liabilities when due or declared due, whether by acceleration, maturity or otherwise; (ii) unconditionally guaranties the full and timely performance of the Guarantor Liabilities; (iii) agrees to pay all costs, expenses and fees, including, but not limited to, attorneys' fees, reasonably incurred by the State in connection with this Guaranty, Guarantor's Liabilities or any collateral or security securing Guarantor's Liabilities; and (iv) agrees to pay to the State the amount of any payments made to the State in full or partial satisfaction of Guarantor's Liabilities, and which are subsequently invalidated, declared to be preferential or fraudulent, set aside or required to be repaid by the State to Guarantor, a trustee, a receiver or any other party under the United States Bankruptcy Code or any similar federal, state or local law, statute or regulation.

B. This Guaranty and the full and timely performance of the Covenants and the full and timely payment of Guarantor's Liabilities by Guarantor pursuant to this Guaranty shall be a continuing, absolute and unconditional guaranty of payment and not of collection, irrespective of (i) the validity or enforceability of any instrument, agreement or document evidencing all or any part of Guarantor's Liabilities; (ii) the absence of any attempt to collect or enforce Guarantor's Liabilities from or against Guarantor or other action to enforce the full and timely performance of the Covenants and the full and timely payment of Guarantor's Liabilities, and the absence of any such attempt shall in no way preclude or be a condition precedent to proceeding against Guarantor; (iii) any waiver or consent by the State with respect to any term or provision of any instrument, agreement or document executed and delivered by Guarantor to the State; (iv) the State obtaining any additional guaranties to secure Guarantor's Liabilities from Guarantor or any other person or entity; (v) any failure by the State to utilize any of its remedies, which failure shall in no way preclude or be a condition precedent to the State proceeding against Guarantor; or (vi) any other fact, event, act, omission or circumstance which might otherwise constitute a legal or equitable discharge of liability or performance by Guarantor.

C. Except as expressly required herein, the State, acting together or separately, shall not be required or obligated to (i) take any action to collect from, or to file any claim of any kind against Grenada Railroad LLC, any other guarantor or any other person or entity liable, jointly or severally, for the full and timely payment of any of Guarantor's Liabilities, prior to pursuing any rights or remedies the State may have against Guarantor; or (ii) in any other respect, exercise any diligence whatsoever in enforcing, collecting or attempting to collect any of Guarantor's Liabilities by any means.

D. Guarantor hereby represents and warrants to the State that (i) the execution and delivery of this Guaranty, the consummation of the transactions herein contemplated, the performance or compliance with the terms and provisions of any of the foregoing, and the formation and operation of the Guarantor, do not constitute a violation or breach of any

agreement, contract, covenant, undertaking, statute, rule or regulation, judgment, or decree to which Guarantor is subject or is a party; (ii) there are no material pending or threatened lawsuits, claims or criminal proceedings against Guarantor or specifically applicable to any property owned by Guarantor; (iii) there are no pending or threatened bankruptcy, reorganization or insolvency proceedings or like proceedings against Guarantor under the Bankruptcy Code of the United States or any like statute, state or federal; (iv) Guarantor is not currently subject to any non-competition, non-solicitation, non-disclosure, or other restrictive covenant or agreement that could have a material adverse effect on the operations of the Guarantor's business or the Guarantor's ability to satisfy the Guarantor's Liabilities.

3. Waivers.

A. To the fullest extent permitted by applicable law, Guarantor waives each and every defense which would otherwise impair, restrict, diminish or affect any of Guarantor's Liabilities. To the extent such action does not increase the Guaranteed Amount, the State shall have the exclusive right from time to time without impairing, restricting, diminishing or affecting any of Guarantor's Liabilities, and without notice of any kind to Guarantor, to (i) for the State to provide additional loans, extensions of credit and other financial accommodations to Grenada Railroad, LLC; (ii) accept partial payments on Guarantor's Liabilities; (iii) take and hold collateral or security to secure the Covenants or Guarantor's Liabilities, or take any other guaranty to secure the Covenants and Guarantor's Liabilities; (iv) in its commercially reasonable discretion, apply any such collateral or security, and direct the order or manner of sale thereof, and the application of the proceeds thereof; and (v) settle, release, compromise, collect or otherwise liquidate Guarantor's Liabilities or exchange, enforce, sell, lease, use, maintain and release any collateral or security therefor in any manner, without affecting or impairing any of Guarantor's Liabilities hereunder. Nothing contained in this Guaranty, except the full and timely performance of the Covenants and the full and timely payment of Guarantor's Liabilities to the State shall operate to discharge any of Guarantor's Liabilities.

B. To the fullest extent permitted by applicable law, Guarantor hereby unconditionally waives (i) notice of acceptance of this Guaranty; (ii) notice of any default by Guarantor in the full and prompt performance of the Covenants or the full and prompt payment of Guarantor's Liabilities; (iii) presentment, notice of dishonor, protest, demand for payment and any other notices of any kind; and (iv) any rights of set-off or counterclaim against the State which would otherwise impair the State's rights against Guarantor hereunder.

4. Waiver of Guarantor's Right of Subrogation, Indemnification, Contribution, and Reimbursement. Guarantor acknowledges that Grenada Railroad LLC is a party to other loan agreements with the State of Mississippi. Guarantor agrees that any right that the Guarantor may have against Grenada Railroad LLC for subrogation, indemnification, contribution or reimbursement as a result of this loan transaction is and shall continue to be subordinate to the rights of the State under this and all other loan agreements. Guarantor shall retain its rights of subrogation indemnification, contribution and reimbursement against Grenada Railroad LLC, but expressly agrees not to exercise those rights unless and until all of Grenada Railroad LLC's obligations to the State have been fully and completely satisfied and released.

5. Remedies upon an Event of Default. Upon the occurrence of an Event of Default and upon Guarantor's failure to pay Guarantor's Liabilities when due and owing, Guarantor's Liabilities shall be immediately due and payable by Guarantor, and the State may exercise any of its rights or remedies provided in this Guaranty, at law, in equity or otherwise. All of the State's rights and remedies are cumulative and non-exclusive, and the exercise by the

State of any one right or remedy shall not preclude the State from subsequently exercising any other right or remedy, in any other respect or at any other time.

6. **Term of Guaranty.** This Guaranty shall continue in full force and effect until all of Guarantor's Liabilities have been satisfied, at which time this Guaranty shall automatically terminate.

7. **Notice.** Any and all notices, demands, requests, consents, designations, waivers and other communications required or desired hereunder shall be in writing and shall be deemed effective upon personal delivery, upon confirmed facsimile transmission, upon receipted delivery by overnight carrier, or three (3) days after mailing if mailed by registered or certified mail, return receipt requested, postage prepaid, to Guarantor, or the State, at the following addresses or facsimile numbers or such other address as Guarantor, or the State specify in like manner; provided, however, that notices of termination of this Guaranty and notices of a change of address or facsimile number shall be effective only upon receipt thereof.

If to Guarantor, then to:
Iowa Pacific Holdings, LLC
118 S. Clinton Street, Suite 400
Chicago, Illinois 60661
Attention: Edwin E. Ellis
Facsimile: (312) 466-9589
E-mail: EllisE@IowaPacific.com

with a copy to:
Iowa Pacific Holdings, LLC
118 S. Clinton Street, Suite 400
Chicago, Illinois 60606
Attention: David Michaud, General Counsel
Facsimile: (312) 509-4030
E-mail: michaud@iowapacific.com

If to State, then to:
Josh C. Stubbs P.E.
Rails Engineer, Traffic Engineering Division
Mississippi Department of Transportation
P.O. Box 1850
Jackson, Mississippi 39215-1454
Facsimile: 601-359-5918

8. **Application of Payments.** Guarantor hereby agrees that all payments on the Loan Agreement to the State made by or on behalf of Guarantor, including, without limitation, payments from Guarantor, may be applied and reapplied, in whole or in part, to any of Guarantor's Liabilities, whether principal, interest, costs, fees, expenses or otherwise, as the MDA sees fit in its reasonable discretion. The State's books and records shall constitute prima face proof of the amount of Guarantor's Liabilities.

9. Construction.

A. This Guaranty shall be interpreted, construed and governed by and under the laws of the State of Mississippi. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Guaranty is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed herefrom and such invalidity or unenforceability shall not affect any other provision of this Guaranty, the balance of which shall remain in and have its intended full force and effect. Provided, however, if such provision may be modified so as to be valid and enforceable as a matter of law, such provision shall be deemed to be modified so as to be valid and enforceable to the maximum extent permitted by law.

B. The Paragraph headings contained in this Guaranty are solely for the purpose of reference, are not part of the agreement between Guarantor and the State and shall not in any way affect the meaning or interpretation of this Guaranty or any Paragraph.

C. This Guaranty shall be binding on Guarantor and upon the successors and heirs of Guarantor, and shall inure to the benefit of the State and its respective successors and assigns. This Guaranty may not be assigned by either party hereto.

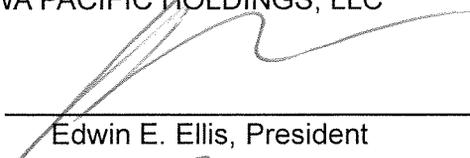
D. No failure to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision. No extension of time for performance of Guarantor's Liabilities or any other obligation or act hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligation or any other act. This Guaranty may not be altered, changed, amended or modified except by an agreement in writing signed by the State and Guarantor.

10. Consent to Jurisdiction; Waiver of Jury Trial. Guarantor consents to the jurisdiction of any local, state or federal court located within the First Judicial District of Hinds County, Mississippi, waives trial by jury and further waives any objection to jurisdiction and venue of any action instituted hereunder, and further agrees not to assert any defense based on lack of jurisdiction or venue.

[SIGNATURE PAGE FOLLOWS]

SIGNED AND DELIVERED by the Guarantor effective as of the day and year first written above but actually signed by the Guarantor on the date set forth below.

GUARANTOR:
IOWA PACIFIC HOLDINGS, LLC

By: 
Edwin E. Ellis, President

Date: ~~August~~ ^{SEPTEMBER} 7, 2016

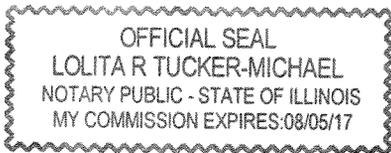
STATE OF ILLINOIS
COUNTY OF COOK:

Personally appeared before me, the undersigned authority in and for the said county and state, on this 17th day of SEPTEMBER, 2016, within my jurisdiction, the within named Edwin E. Ellis, who acknowledged that he is President of Iowa-Pacific Holdings LLC of Chicago, Illinois, an Illinois limited liability company, and that for and on behalf of the said company, and as its act and deed he executed the above and foregoing Loan and Security Agreement, after first having been duly authorized by said company so to do.

(SEAL)


NOTARY PUBLIC

My commission expires: 8.5.17



EEV CERTIFICATION AND AGREEMENT

By executing this Certification and Agreement, the undersigned verifies its compliance with Senate Bill 2988 from the 2008 Mississippi Legislative Session, "Mississippi Employment Protection Act," as published in Laws, 2008 and codified in the Mississippi Code of 1972, as amended, and any rules or regulations promulgated by Mississippi Transportation Commission [MTC], Department of Employment Security, State Tax Commission, Secretary of State, Department of Human Services in accordance with the Mississippi Administrative Procedures Law (Section 25-43-1 et seq., Mississippi Code of 1972, as amended), stating affirmatively that the individual, firm, or corporation which is contracting with MTC has registered with and is participating in a federal work authorization program* operated by the United States Department of Homeland Security to electronically verify information of newly hired employees pursuant to the Immigration Reform and Control Act of 1986, Pub.L. 99-603, 100 Stat 3359, as amended. The undersigned agrees to inform the MTC if the undersigned is no longer registered or participating in the program.

The undersigned agrees that, should it employ or contract with any subcontractor(s) in connection with the performance of this Contract, the undersigned will secure from such subcontractor(s) verification of compliance with the Mississippi Employment Protection Act on the provided MDOT-approved form. The undersigned further agrees to maintain records of such compliance and provide a copy of each such verification to MTC at the time such subcontractor(s) is retained for the benefit of the MTC or this Contract.

1123670

EEV* Company Identification Number [Required]

The undersigned certifies that the above information is complete, true and correct to the best of my knowledge and belief. The undersigned acknowledges that any violation may be subject to the cancellation of the contract, ineligibility for any state or public contract for up to three (3) years, the loss of any license, permit, certificate or other document granted by any agency, department or government entity for the right to do business in Mississippi for up to one (1) year, or both, any and all additional costs incurred because of the contract cancellation or the loss of any license or permit, and may be subject to additional felony prosecution for knowingly or recklessly accepting employment for compensation from an unauthorized alien as defined by 8 U.S.C §1324a(h)(3), said action punishable by imprisonment for not less than one (1) year nor more than five (5) years, a fine of not less than One Thousand Dollars (\$1,000.00) nor more than Ten Thousand Dollars (\$10,000.00), or both, in addition to such prosecution and penalties as provided by Federal law.

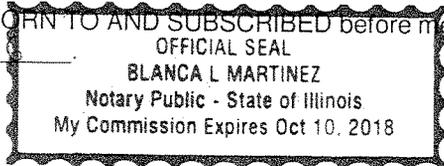
BY: [Signature]
Authorized Officer or Agent

9/2/2018
Date

Edwin E. Ellis
Printed Name of Authorized Officer or Agent

President
Title of Authorized Officer or Agent of Contractor

SWORN TO AND SUBSCRIBED before me on this the 2nd day of September, 2018.



Blanca L Martinez
NOTARY PUBLIC
My Commission Expires: Oct 10, 2018

* As of the effective date of the Mississippi Employment Protection Act, the applicable federal work authorization program is E-Verify™ operated by the U. S. Citizenship and Immigration Services of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration.