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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)
ROBERT W. ALVORD (2011)

RECORDATION NO. 31010-B FILED
September 21, 2016 12:30 PM
SURFACE TRANSPORTATION BOARD

September 21, 2016

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Payoff Agreement, dated as of July 10, 2015, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Security Agreement previously filed with the Board under Recordation Number 31010.

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

Administrative Agent: U.S. Bank National Association
300 Delaware Avenue 9th Floor
Wilmington, DE 19801

Obligors: Iowa Pacific Holdings, LLC
Permian Basin Railways, Inc.
Central Car Repair, LLC
Saratoga and North Creek Railway, LLC
Heritage Rail Leasing, LLC
Austin & Northwestern Railroad Company, Inc.
West Texas and Lubbock Railway Company, Inc.
The Pullman Sleeping Car Company, LLC
Santa Cruz and Monterey Bay Railway Company

San Luiz & Rio Grande Railroad, Inc.
Rusk, Palestine & Pacific Railroad, LLC
Mt. Hood Railway Company
Massachusetts Coastal Railroad, LLC
Key Tours International
Isla Largo, LLC
High Iron Travel Corporation
Chicago Terminal Railroad Company
Cape Rail, Inc.
Cape Cod Central Railroad, Inc.
British American Railway Services (U.S.), LLC
118 South Clinton Street, Suite 400
Chicago, IL 60661

A description of the equipment covered by the enclosed document is:

All railroad equipment covered by the Memorandum of Security Agreement filed under Rec. No. 31010 is hereby RELEASED.

A short summary of the document to appear in the index is:

Payoff Agreement.

Also enclosed is a check in the amount of $45.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Claire E. Murphy

CEM
Enclosures

EXECUTION VERSION

RECORDATION NO. 31010-B FILED
September 21, 2016 12:30 PM
SURFACE TRANSPORTATION BOARD

Payoff Agreement

This Payoff Agreement (this "Agreement") dated July 10, 2015 (the "Payoff Date") is hereby entered into by and among Iowa Pacific Holdings, LLC, an Illinois limited liability company (the "Company"), each subsidiary guarantor listed on the signature pages hereof (each, a "Subsidiary Guarantor" and, collectively, the "Subsidiary Guarantors"), CVI AA Master Fund I LP and CVI CVF II Master Fund I LP (the "Payees") each as a lender under the Credit Agreement defined below (in such capacity, a "Lender") and each as a holder of a Warrant defined below (in such capacity, a "Holder") and U.S. Bank National Association, in its capacity as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

WHEREAS

The Company, the Subsidiary Guarantors, the Lenders and the Administrative Agent are party to that certain Credit Agreement, dated as of December 9, 2013, (as amended, amended and restated, supplemented or otherwise modified from time to time, including on July 18, 2014 by that certain "Incremental Amendment and Amendment No. 1 to the Security Agreement", the "Credit Agreement");

Pursuant to the Credit Agreement, the Company issued an amended and restated promissory note and a promissory note, each dated July 18, 2014, to CVI AA Master Fund I LP and an amended and restated promissory note and a promissory note, each dated July 18, 2014, to CVI CVF II Master Fund I LP;

The Company issued Second Amended and Restated Warrants having an original issue date of September 8, 2014 to the Holders (each a "Warrant" and, collectively, "Warrants");

The Company is party to that certain Asset Purchase Agreement dated as of May 18, 2015 (as amended, modified and in effect from time to time, including by the First Amendment to Asset Purchase Agreement, dated as of July 10, 2015, the "Purchase Agreement") by and among Lubbock and Western Railway, L.L.C. and New Mexico Railway, L.L.C. (each a "Buyer" and, collectively, the "Buyers), Permian Basin Railways, Inc., Austin & Northwestern Railroad Company, Inc., West Texas and Lubbock Railway Company, Inc., Heritage Rail Leasing, LLC, West Texas and Lubbock Railroad Company, Inc. and the Company (each a "Seller" and, collectively, the "Sellers") pursuant to which the Sellers intend to sell, and the Buyers intend to purchase, the Purchased Assets (as defined in the Purchase Agreement);

Effective as of the Payoff Date, West Texas and Lubbock Railway Company, Inc. and West Texas and Lubbock Railroad Company, Inc. are party to that certain Lease Agreement with Lubbock and Western Railway, L.L.C., in substantially the form attached as Exhibit K to the Purchase Agreement (as amended, modified and in effect from time to time, the "PBR Lease"), pursuant to which such Sellers intend to lease to such Buyer certain real estate described in the PBR Lease (the "Leased Assets" and, together with the Purchased Assets, the "Covered Assets").

The Company is party to that certain Earn-Out Agreement dated as of July 10, 2015 (as amended, modified and in effect from time to time, the "Earn-Out Agreement") by and among

the Company, the other Sellers, the Buyers and Watco Companies, L.L.C. ("Watco") pursuant to which certain of the Sellers are eligible to receive in the future additional, contingent deferred consideration from the Buyers which has been guaranteed by Watco pursuant to the terms of the Earn-Out Agreement; and

The Company desires to prepay the obligations outstanding under the Credit Agreement to the extent possible from the proceeds of the sale under the Purchase Agreement and the leases under the PBR Leases and otherwise cause the discharge of all remaining obligations of the Company under the Credit Agreement and under the Warrants through (a) the assignment by Austin & Northwestern Railroad Company, Inc. and West Texas and Lubbock Railroad Company, Inc. (the "Original Earn-Out Recipients") of their rights under the Earn-Out Agreement to the Payees and (b) the issuance of promissory notes to the Lenders, all as provided in this Agreement.

NOW THEREFORE, in consideration of the mutual promises set forth herein and other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein that are defined in the Credit Agreement and not otherwise defined herein have the meanings given in the Credit Agreement as in effect as of the date hereof.

2. Payoff.

(a) The Borrower and each Subsidiary Guarantor hereby confirms and agrees that on the Payoff Date:

(i) all Commitments under the Credit Agreement will be terminated and all obligations of the Loan Parties in respect of the Commitments or any extensions of credit under the Credit Agreement will be forever discharged;

(ii) the Borrower and each Subsidiary Guarantor will prepay in full all Obligations due and payable as of the Payoff Date under the Credit Agreement and the other Loan Documents as set forth below (such amount, the "Total Payoff Amount"):

	Amount Owing in Dollars:
Principal amount of outstanding Loans:	$107,041,895.35
Prepayment premium to be paid in cash	$1,614,104.65
Accrued and unpaid fees owed on Loans:	$0
Other specified Obligations:	$0
Cash Payoff to Payees	$108,656,000.00

Administrative Agent fee	$35,000.00
Legal Fees and expenses due to Gibson Dunn & Crutcher LLP	$33,000.00
Legal Fees and expenses due to Holland & Hart LLP	$1,641.50
Cash Payoff Amount:	$108,725,641.50
Accrued and unpaid prepayment premium:	$3,737,990.11
Warrant Put Payment Amount (as defined in Section 3(a) below) for Warrant 1	$11,040,005.52
Warrant Put Payment Amount (as defined in Section 3(a) below) for Warrant 2	$960,000.48
Satisfaction Payoff Amount:	$15,737,996.11
Accrued and unpaid interest on loans:	$6,692,934.16
Deferred Interest Amount:	$6,692,934.16
Total Payoff Amount:	$131,156,571.77

(b) From and after the Required Payment Time (as defined below), if either (i) the Cash Payoff Amount is not paid in full in immediately available funds or (ii) the Satisfaction Documentation (as defined below) has not been fully executed by the relevant parties with all conditions precedent to the effectiveness thereof satisfied (including delivery of notice to the Buyers of the assignment of the Company's right, title and interest in, to and under the Earn-Out Agreement to the Payees) in order to satisfy the Satisfaction Payoff Amount and Deferred Interest Amount, interest and fees shall continue to accrue, at the rate of $44,200.91 per day (the "Per Diem Amount") and the Total Payoff Amount shall not be fully paid (and the conditions set forth in Section 2(c) below shall not be satisfied) until such Per Diem Amount has also been paid to the Administrative Agent for the account of the Payees.

(c) If by no later than 12:00 p.m., New York Time, on the Payoff Date (the "Required Payment Time"), the Administrative Agent receives (i), for the account of the Payees, payment of the Cash Payoff Amount by wire transfer (together with notification to it of the applicable federal funds wire reference number) of immediately available funds to the account set forth in Schedule 1 (provided, however, that to the extent Schedule 1 directs that part of the Cash Payoff Amount shall be paid to Gibson Dunn & Crutcher LLP, counsel to the Administrative Agent, and/or Holland & Hart LLP, the payments shall be so directed together

with notification to them of the applicable federal funds wire reference number) and (ii) confirmation from Watco Transportation Services, L.L.C. ("WTS") that its rights under the Sharing Agreement dated March 23, 2015 among the Company, each Subsidiary Guarantor, the Administrative Agent and WTS have terminated (the "Sharing Agreement Confirmation") then, solely with respect to the Covered Assets, upon receipt by the Administrative Agent and other payees of the Cash Payoff Amount, all right, title and interest (including security interests and other liens) of the Administrative Agent and the Loan Parties in and to the Covered Assets granted pursuant to the Loan Documents shall automatically be released and terminated.

If by no later than Required Payment Time, the Administrative Agent shall have received each of the Cash Payoff Amount (as described above), the Sharing Agreement Confirmation and evidence satisfactory to it that the Satisfaction Documentation (as defined below) has been fully executed by the relevant parties and all conditions precedent to the effectiveness thereof have been satisfied in full; then

(X) the secured obligations (including, without limitation, the Obligations) to the Loan Parties shall be fully paid and discharged and the Loan Parties agree that the Borrower and each Subsidiary Guarantor shall be released and not have any further liabilities or obligations owing to the Loan Parties under the Loan Documents, subject to any provision which expressly states that it survives the termination of the Loan Documents; and

(Y) subject to any provision which expressly states that it survives the termination of the Loan Documents, the Credit Agreement and all other Loan Documents shall fully and finally terminate automatically without the obligation of the Loan Parties to take any further action.

The Borrower and each Subsidiary Guarantor acknowledges and agrees that the Loan Parties' obligations under this Section 2(c) above will not become effective or enforceable until the applicable conditions set forth in this Section 2(c) are satisfied, and for this purpose time will be of the essence.

(d) The Administrative Agent agrees that if the Borrower or any Subsidiary Guarantor at any time determines and notifies the Administrative Agent in writing that the delivery of any additional instrument executed by the Administrative Agent is required to release discharge or terminate (i) any security interest, (ii) any other Lien securing the payment of the Loans under the Credit Agreement granted to the Administrative Agent and Collateral Agent on behalf of the Loan Parties pursuant to any security agreement, mortgage deed of trust, deed to secure debt, collateral assignment or other grant of security (an "Other Lien"), or (iii) any notice, filing or registration of any security interest or Other Lien, the Administrative Agent will, at the Borrower's or Subsidiary Guarantor's expense, as applicable, and as reasonably requested by the Borrower or Subsidiary Guarantor, as applicable, in such notice, execute and deliver (and if requested acknowledge) such other instruments effecting or confirming the release, discharge or termination of any security interest or Other Lien or any notice, filing, or registration of any security interest or Other Lien on the terms set forth in Section 2(c) hereof and otherwise in form and substance reasonably satisfactory to the Administrative Agent unless any of the foregoing actions would (x) expose the Administrative Agent or any of its respective officers, directors, employees, agents, attorneys and other representatives to personal liability or would be contrary to applicable law or the Loan Documents or (y) result in a breach of Section 2(c) of this Payoff

Letter. In furtherance of the foregoing, upon delivery by the Administrative Agent of written notice (which may be given via e-mail or facsimile) to the Borrower that the Cash Payoff Amount has been received in accordance with Section 2(c), the Administrative Agent (A) will execute and deliver the releases of Mortgages and Deeds of Trust on the Payoff Date in the forms attached hereto as Exhibits A–I and a notice in the form attached hereto as Exhibit J terminating the Blocked Account Control Agreement dated December 10, 2013 entered into between the Company, Administrative Agent and JPMorgan Chase Bank, N.A. as Depositary and (B) authorizes the filing of UCC termination statements necessary to effectuate, or reflect of public record, the release and discharge of the Administrative Agent's liens over the Covered Assets and all other UCC financing statements described on Schedule 2 hereto (but does not authorize the filing of any UCC termination statement in respect of UCC financing statements filed on or about the date hereof in connection with the assignment of the Earn-Out Agreement).

(e) The payment of the Payoff Amount and the release of security interests set forth in Section 2(c) will not discharge or in any manner affect or impair the enforceability of, or any liability under, provisions that expressly survive the termination of the Loan Documents, including those arising under Sections 2.10, 2.11, 2.12, 3.03, 9.01, 10.03 and 10.12 of the Credit Agreement.

(f) The Borrower and the Subsidiary Guarantors confirm and agree that the indemnification provisions set forth in Section 10.03 of the Credit Agreement will apply and be enforceable by the Loan Parties, as applicable, in respect of the execution and delivery of this Payoff Letter and the other instruments and agreements provided for herein, all actions taken or omitted by the Loan Parties and all claims based upon or arising in connection with any of the foregoing. The Loan Parties reserve the right to enforce, in respect of such execution, delivery, actions or claims, each and all of the rights, benefits, immunities, exculpatory provisions and indemnities enforceable by the Administrative Agent under Section 10.03 and Article IX of the Credit Agreement, as applicable.

(g) In order to facilitate the discharge in full of the obligations due to the Loan Parties under the Loan Documents and to protect the Administrative Agent, Lenders and Holders from incurring any costs, expenses or liabilities as to which they would be entitled to be reimbursed or indemnified under the Loan Documents (which, in the absence of this Payoff Letter, would give rise to reimbursement or indemnification claims secured by the Administrative Agent's liens and security interests in the Collateral for the benefit of the Loan Parties), and to induce the Loan Parties to release their liens on the Collateral that would otherwise secure such reimbursement and indemnity obligations, the Borrower and each Subsidiary Guarantor, on behalf of itself and its successors and assigns, hereby forever waives, releases and discharges, and hereby covenants not to assert or prosecute, any and all claims (including, without limitation, cross-claims, counterclaims, rights of setoff and recoupment), causes of action, demands, suits, costs, expenses and damages arising out of actions taken under the Loan Documents or any failure to act under the Loan Documents that it now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity, against the Administrative Agent, any Lender (in its capacity as a Lender or in any other capacity), any Holder and any of their respective subsidiaries and affiliates, and each of their respective successors, assigns, officers, directors, employees, agents, attorneys and other representatives, based in whole or in part on facts, whether or not known, existing on or prior to the date hereof.

3. Satisfaction Documentation.

(a) Warrant Exercise. On the Payoff Date and on account of the transactions described in this Agreement, each Holder shall be deemed to have exercised its right to require the Company to purchase its respective Warrant (the "Deemed Exercise"), pursuant to the "Put Right" provision set forth in Section 10 thereof (the "Put Provision"), and as such, this Agreement shall constitute a Put Notice (as defined in the applicable Warrant) delivered by such Holder to the Company with respect to such Deemed Exercise. The Company hereby irrevocably and unconditionally agrees that, with respect to the Deemed Exercise by each Holder, notwithstanding anything in the applicable Warrant to the contrary, (i) this Agreement constitutes a valid Put Notice, (ii) the Company's obligations under the Put Provision (as modified by this Agreement) are valid, binding and enforceable against the Company, (iii) the Payoff Date shall be deemed to be the Warrant Put Payment Date (as defined in the applicable Warrant), (iv) the amount payable by the Company as the purchase price for the Warrant, as determined pursuant to the Put Provision (the "Warrant Put Payment Amount") is set forth in the table contained in Section 2(a) of this Agreement (the "Payment Schedule") and (v) the Company is unconditionally obligated to pay the applicable Warrant Put Payment Amount, as set forth in the Payment Schedule, to the Holder of the applicable Warrant. Each Holder hereby waives the requirement for the Company to deliver a Fundamental Transaction Notice (as defined in the applicable Warrant) to the Holder in connection with the Asset Purchase Agreement and the transactions contemplated thereby.

(b) Satisfaction Payoff Debt. On the Payoff Date, the Company shall execute and deliver a promissory note in favor of each Payee with an original principal amount equal to that portion of the Satisfaction Payoff Amount that is payable to such Payee (each a "Payoff Note" and, collectively, "Payoff Notes").

(c) Deferred Interest Debt. On the Payoff Date, the Company shall execute and deliver a promissory note in favor of each Payee with an original principal amount equal to that portion of the Deferred Interest Amount that is payable to such Payee (each a "Deferred Interest Note" and, collectively, "Deferred Interest Notes").

(d) Assignment of Earn-Out. On the Payoff Date, the Original Earn-Out Recipients and the Payees shall execute and deliver an assignment and assumption agreement (the "Assignment Agreement") pursuant to which the Original Earn-Out Recipients, sell, assign, bargain, transfer and set over to the Payees all of the Earn-Out Recipients' right, title and interest in, to and under the Earn-Out Agreement (the Assignment Agreement, together with the Payoff Notes and the Deferred Interest Notes, the "Satisfaction Documentation"). On the Payoff Date, the Original Earn-Out Recipients shall provide written notice to the Buyers of the assignment to the Payees all of the Original Earn-Out Recipients' right, title and interest in, to and under the Earn-Out Agreement in the form attached to the Assignment Agreement.

(e) Tax Treatment. For U.S. federal, state and local income tax purposes, the parties intend that the rights and obligations under each Payoff Note be treated as a guarantee of a minimum payment with respect to the earnout, to be settled at maturity of each Payoff Note, in an amount equal to the amount owing pursuant to such Payoff Notes taking into account Section 2.04(c) thereof. The parties agree to report consistent with the forgoing for all U.S. federal, state and local income tax purposes, and will not take any position in connection with any tax return, tax audit or other purpose that is inconsistent with such treatment.

4. New Money Debt. On the Payoff Date, Company shall execute and deliver promissory notes in favor of the Payees which shall have original principal amounts that in the aggregate equal $1,750,000 (each a "New Money Note" and, collectively, "New Money Notes"). Nothing in this Agreement shall be deemed to discharge or otherwise affect the obligations of the Company and the Subsidiary Guarantors under the Satisfaction Documentation or the New Money Notes which the parties agree are not Loan Documents and which shall continue to be legal, valid and binding obligations of the Company and the Subsidiary Guarantors enforceable against such parties in accordance with the terms thereof.

5. Termination. The parties hereto further agree that if the conditions specified in Section 2(c) hereof are not satisfied on or prior to July 31, 2015, this Payoff Letter shall terminate and be of no further force and effect.

6. Miscellaneous.

(a) Notices.

(i) All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier, as follows:

(A) if to the Company, the Administrative Agent, any Subsidiary Guarantor or any Lender, to its address as specified in the Credit Agreement or the applicable Assignment and Assumption; and

(B) if to a Holder, to its address specified in the applicable Warrant.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

(ii) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent).

(b) Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by each Person party hereto.

(c) Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, together with the other instruments and documents referred to herein, constitutes the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This

Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(d) Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(e) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(f) Submission to Jurisdiction. The Company and each Subsidiary Guarantor irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(g) Waiver of Venue. The Company and each Subsidiary Guarantor irrevocably and unconditionally waive, to the fullest extent permitted by applicable law, any objection that either may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(h) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 5(a). Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(i) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(j) Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

[Remainder of page intentionally left blank]

I certify that I hold the title set forth below, that this instrument was signed on behalf of U.S. BANK NATIONAL ASSOCIATION by authority of its governing board of directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of U.S. BANK NATIONAL ASSOCIATION. I further declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

U.S. NATIONAL BANK ASSOCIATION.
as Administrative Agent

By: _____
Name: James A. Hanley
Title: Vice President

IOWA PACIFIC HOLDINGS, LLC,
as the Company

By: _____
Name: Edwin E. Ellis
Title President

[SIGNATURE PAGE PAYOFF AGREEMENT]

Each of the following Subsidiary Guarantors has executed and delivered this Agreement as of the date first above written.

WEST TEXAS AND LUBBOCK RAILWAY COMPANY, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

WEST TEXAS AND LUBBOCK RAILROAD COMPANY, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

THE PULLMAN SLEEPING CAR COMPANY, LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

SARATOGA AND NORTH CREEK RAILWAY, LLC,
as Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

SANTA CRUZ AND MONTEREY BAY RAILWAY COMPANY,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

SAN LUIZ & RIO GRANDE RAILROAD, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

RUSK, PALESTINE & PACIFIC RAILROAD, LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

PERMIAN BASIN RAILWAYS, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

MT. HOOD RAILROAD COMPANY,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

MASSACHUSETTS COASTAL RAILROAD, LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

KEY TOURS INTERNATIONAL,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

ISLA LARGO, LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

HIGH IRON TRAVEL CORPORATION,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

HERITAGE RAIL LEASING, LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

CHICAGO TERMINAL RAILROAD COMPANY,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

CENTRAL CAR REPAIR, LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

CAPE RAIL, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

CAPE COD CENTRAL RAILROAD, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

BRITISH AMERICAN RAILWAY SERVICES (U.S.), LLC,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

AUSTIN & NORTHWESTERN RAILROAD COMPANY, INC.,
as a Subsidiary Guarantor

By:_____
Edwin E. Ellis, President

CVI AA MASTER FUND I LP,
as Lender and as a Holder

By: CarVal AA GP LP, its General Partner

By: CarVal AA General Partner LLC, its General Partner

By CarVal Investors, LLC, its Member / Manager

By Peter A Vobrich
Name: Peter A. Vobrich
Title: Executive Vice President

[SIGNATURE PAGE TO PAYOFF AGREEMENT]

CVI CVF II MASTER FUND I LP,
as Lender and as a Holder

By: CarVal CVF II GP LP, its General Partner

By: CarVal Carry GP Corp., its General Partner

By _____
Name: Peter A. Varbrich
Title: Director

[SIGNATURE PAGE TO PAYOFF AGREEMENT]

CERTIFICATION

I, Claire E. Murphy, an attorney licensed to practice in the State of New York and the State of New Jersey, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: September 21, 2016

Claire E. Murphy