



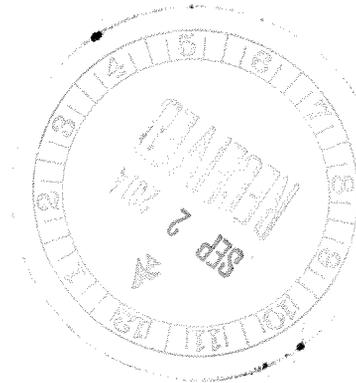
U.S. Department  
of Transportation

Federal Railroad  
Administration

**AUG 27 2014**

1200 New Jersey Avenue, SE  
Washington, DC 20590

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
Washington, DC 20423-0001



Dear Section Chief:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. This document is a Memorandum of Security Agreement, dated as of June 12, 2014, and a primary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents at 49 CFR Part 1177.

The enclosed document relates to the "First Secured Collateral" document previously filed with the Board under Recordation Number 29342.

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

Secured Party / Lender: Federal Railroad Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Debtors / Borrowers: Great Lakes Central Railroad, Inc.  
Federated Railways, Inc.  
Federated Railcars, LLC  
30955 Northwester Highway  
Farmington Hills, MI 48334

A description of the railroad equipment covered by the enclosed document is found in Exhibit A attached to the Memorandum of Security Agreement and includes locomotives, railroad cars, freight rolling stock, and other rolling stock for use related to interstate commerce, or interests therein, owned by Borrower at the date of said Memorandum of Security Agreement or thereafter acquired by it or its successors as owners.

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

"Memorandum of Security Agreement"

As the referenced documents are being filed on behalf of an agency of the United States, the undersigned requests that all filing fees be waived. Please return the original and any extra stamped copies not needed by the Board for recordation to the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "William R. Fashouer".

William R. Fashouer  
Assistant Chief Counsel

Enclosures

**MEMORANDUM OF SECURITY AGREEMENT**

THIS MEMORANDUM OF SECURITY AGREEMENT is made and entered on as of June 12, 2014 (the "Memorandum") by and between the UNITED STATES OF AMERICA, represented by the SECRETARY OF TRANSPORTATION acting through the ADMINISTRATOR of the FEDERAL RAILROAD ADMINISTRATION ("Lender"), and GREAT LAKES CENTRAL RAILROAD, INC., a Michigan corporation, FEDERATED RAILWAYS, INC., a Michigan corporation, and FEDERATED RAILCARS, LLC, a Michigan limited liability company and successor-by-conversion to, and formerly known as, Federated Railcars, Inc., a Michigan corporation, (collectively the "Borrower")

Lender and Borrower are parties to that certain Financing Agreement, dated as of June 29, 2010, as amended, pursuant to which the Borrower received a loan with a maximum aggregate principal amount of \$17,000,000 pursuant to Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. § 821 *et seq.*

Lender and Borrower entered into that certain Security Agreement (the "Security Agreement"), dated as of June 29, 2010, pursuant to which Borrower granted Lender a security interest in the Collateral, as defined in the Security Agreement.

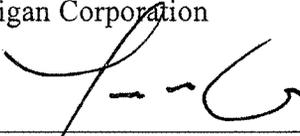
Borrower has agreed to grant the Lender, its successor and assigns, a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto in order to secure Borrower's performance of its obligations as described in the Security Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum to be fully executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

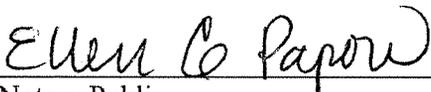
**BORROWER:**

**Great Lakes Central Railroad, Inc.**  
a Michigan Corporation

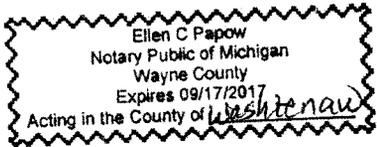
By:   
Name: Louis P. Ferris, Jr.  
Its: Chairman of the Board of Directors

STATE OF MICHIGAN     )  
  )  
COUNTY OF WASHTENAW)

On this 12<sup>th</sup> day of June, 2014, before me personally appeared Louis P. Ferris, Jr., to me personally known, who being duly sworn that he/she is Chairman of the Board of Directors of the Great Lakes Central Railroad, a Michigan corporation, that said instrument was signed on behalf of said entity by authority of its Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

My Commission Expires:



[signature pages continue]

**Federated Railways, Inc.**  
a Michigan Corporation

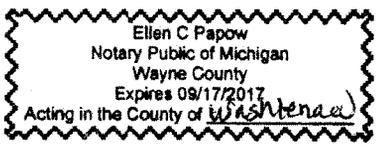
By:   
Name: Louis P. Ferris, Jr.  
Its: Chief Executive Officer

STATE OF MICHIGAN     )  
  )  
COUNTY OF WASHTENAW)

On this 12<sup>th</sup> day of June, 2014, before me personally appeared Louis P. Ferris, Jr., to me personally known, who being duly sworn that he/she is Chief Executive Officer of the Federated Railways, Inc., a Michigan corporation, that said instrument was signed on behalf of said entity by authority of its Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

My Commission Expires:



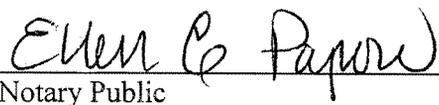
[signature pages continue]

**Federated Railcars, LLC**  
a Michigan Limited Liability Company and  
successor-by-conversion to Federated Railcars, Inc.,  
a Michigan Corporation

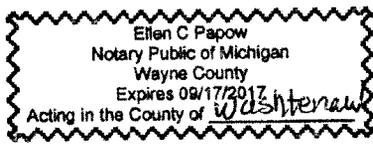
By:   
Name: Louis P. Ferris, Jr.  
Its: Managing Member

STATE OF MICHIGAN     )  
  )  
COUNTY OF WASHTENAW)

On this 12<sup>th</sup> day of June, 2014, before me personally appeared Louis P. Ferris, Jr., to me personally known, who being duly sworn that he/she is Managing Member of the Federated Railcars, LLC, a Michigan limited liability company, that said instrument was signed on behalf of said entity by authority of its Members, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

My Commission Expires:



[signature pages continue]



EXHIBIT A  
TO MEMORANDUM OF SECURITY AGREEMENT

List of Equipment (Rolling Stock)

**[See Attached]**

EXHIBIT A

ROLLING STOCK, FREIGHT CARS, LOCOMOTIVES AND PASSENGER CARS

Freight Cars	Freight Cars	Freight Cars	Freight Cars	Freight Cars	Freight Cars	Freight Cars	Freight Cars	Locomotives	Passenger Cars
TSBY 400 4750 CUFTCH	TSBY 96103 4000 CUFTCH	TSBY 96994 4000 CUFTCH	TSBY 710027 4750 CUFTCH	GLC 4150 2980 CUFTCH	GLC 385 GP-35	FRYX 700 Coach Car			
TSBY 401 4750 CUFTCH	TSBY 96113 4000 CUFTCH	TSBY 97040 4000 CUFTCH	TSBY 710028 4750 CUFTCH	GLC 4159 2980 CUFTCH	GLC 389 GP-35	FRYX 701 Coach Car			
TSBY 403 4750 CUFTCH	TSBY 96135 4000 CUFTCH	TSBY 97045 4000 CUFTCH	TSBY 710030 4750 CUFTCH	GLC 4160 2980 CUFTCH	GLC 390 GP-35	FRYX 702 Coach Car			
TSBY 404 4750 CUFTCH	TSBY 96162 4000 CUFTCH	TSBY 97055 4000 CUFTCH	TSBY 710031 4750 CUFTCH	GLC 4161 2980 CUFTCH	GLC 391 GP-35	FRYX 703 Coach Car			
TSBY 405 4750 CUFTCH	TSBY 96172 4000 CUFTCH	TSBY 97063 4000 CUFTCH	TSBY 710033 4750 CUFTCH	GLC 4170 2980 CUFTCH	GLC 392 GP-35	FRYX 704 Coach Car			
TSBY 406 4750 CUFTCH	TSBY 96184 4000 CUFTCH	TSBY 97194 4000 CUFTCH	TSBY 710034 4750 CUFTCH	GLC 4172 2980 CUFTCH	GLC 393 GP-35	FRYX 705 Coach Car			
TSBY 408 4750 CUFTCH	TSBY 96188 4000 CUFTCH	TSBY 97208 4000 CUFTCH	TSBY 710036 4750 CUFTCH	GLC 4176 2980 CUFTCH	GLC 394 GP-35	FRYX 706 Coach Car			
TSBY 409 4750 CUFTCH	TSBY 96218 4000 CUFTCH	TSBY 97212 4000 CUFTCH	TSBY 710038 4750 CUFTCH	GLC 4179 2980 CUFTCH	GLC 1226 25ton Switcher	FRYX 707 Coach Car			
TSBY 410 4750 CUFTCH	TSBY 96251 4000 CUFTCH	TSBY 97227 4000 CUFTCH	TSBY 710039 4750 CUFTCH	GLC 20072 4635 CUFTCH	GLC 1977 SW1200	FRYX 708 Coach Car			
TSBY 412 4750 CUFTCH	TSBY 96300 4000 CUFTCH	TSBY 97273 4000 CUFTCH	TSBY 710041 4750 CUFTCH	GLC 20074 4635 CUFTCH	GLC 2648 GP-35	FRYX 709 Coach Car			
TSBY 413 4750 CUFTCH	TSBY 96304 4000 CUFTCH	TSBY 97346 4000 CUFTCH	TSBY 710042 4750 CUFTCH	GLC 20075 4635 CUFTCH	GLC 2681 GP-35	FRYX 710 Coach Car			
TSBY 414 4750 CUFTCH	TSBY 96309 4000 CUFTCH	TSBY 97350 4000 CUFTCH	TSBY 710043 4750 CUFTCH	GLC 20076 4635 CUFTCH	GLC 395 GP238-2	FRYX 711 Coach Car			
TSBY 416 4750 CUFTCH	TSBY 96318 4000 CUFTCH	TSBY 97353 4000 CUFTCH	TSBY 710046 4750 CUFTCH	GLC 20077 4635 CUFTCH	GLC 396 GP238-2	FRYX 712 Coach Car			
TSBY 417 4750 CUFTCH	TSBY 96319 4000 CUFTCH	TSBY 97363 4000 CUFTCH	TSBY 710048 4750 CUFTCH	GLC 20078 4635 CUFTCH	GLC 397 GP238-2	FRYX 713 Coach Car			
TSBY 418 4750 CUFTCH	TSBY 96335 4000 CUFTCH	TSBY 97420 4000 CUFTCH	TSBY 710049 4750 CUFTCH	GLC 20079 4635 CUFTCH	GLC 398 GP238-2	FRYX 714 Coach Car			
TSBY 419 4750 CUFTCH	TSBY 96355 4000 CUFTCH	TSBY 97427 4000 CUFTCH	TSBY 710051 4750 CUFTCH	GLC 170762 4437 CUFTCH	GLC 399 GP238-2	FRYX 715 Coach Car			
TSBY 601 4750 CUFTCH	TSBY 96369 4000 CUFTCH	TSBY 97437 4000 CUFTCH	TSBY 710052 4750 CUFTCH	GLC 200710 4635 CUFTCH	FRYX 716 Coach Car				
TSBY 602 4750 CUFTCH	TSBY 96382 4000 CUFTCH	TSBY 97455 4000 CUFTCH	TSBY 710053 4750 CUFTCH	GLC 200712 4635 CUFTCH	FRYX 717 Coach Car				
TSBY 603 4750 CUFTCH	TSBY 96416 4000 CUFTCH	TSBY 97457 4000 CUFTCH	TSBY 710057 4750 CUFTCH	GLC 200713 4635 CUFTCH	FRYX 718 Coach Car				
TSBY 604 4750 CUFTCH	TSBY 96424 4000 CUFTCH	TSBY 97465 4000 CUFTCH	TSBY 710059 4750 CUFTCH		FRYX 719 Coach Car				
TSBY 605 4750 CUFTCH	TSBY 96443 4000 CUFTCH	TSBY 97486 4000 CUFTCH	TSBY 710060 4750 CUFTCH		FRYX 720 Coach Car				
TSBY 606 4750 CUFTCH	TSBY 96483 4000 CUFTCH	TSBY 97499 4000 CUFTCH	TSBY 710061 4750 CUFTCH		FRYX 721 Coach Car				
TSBY 607 4750 CUFTCH	TSBY 96496 4000 CUFTCH	TSBY 97563 4000 CUFTCH	TSBY 710062 4750 CUFTCH		FRYX 722 Coach Car				
TSBY 608 4750 CUFTCH	TSBY 96498 4000 CUFTCH	TSBY 97584 4000 CUFTCH	TSBY 710063 4750 CUFTCH		FRYX 723 Coach Car				
TSBY 609 4750 CUFTCH	TSBY 96512 4000 CUFTCH	TSBY 97590 4000 CUFTCH	TSBY 710064 4750 CUFTCH		FRYX 724 Coach Car				

Freight Cars	Freight Cars	Freight Cars	Freight Cars	Freight Cars	Locomotives	Passenger Cars
TSBY 2004 Box Car 50'	TSBY 96520 4000 CUFTCH	TSBY 97595 4000 CUFTCH	TSBY 710065 4750 CUFTCH	TSBY 710065 4750 CUFTCH		FRYX 725 Coach Car
TSBY 6005 Box Car 50'	TSBY 96542 4000 CUFTCH	TSBY 97635 4000 CUFTCH	TSBY 710066 4750 CUFTCH	TSBY 710066 4750 CUFTCH		FRYX 726 Coach Car
TSBY 6012 Box Car 50'	TSBY 96599 4000 CUFTCH	TSBY 97669 4000 CUFTCH	TSBY 710067 4750 CUFTCH	TSBY 710067 4750 CUFTCH		FRYX 727 Coach Car
TSBY 6014 Box Car 50'	TSBY 96615 4000 CUFTCH	TSBY 710000 4750 CUFTCH	TSBY 710069 4750 CUFTCH	TSBY 710069 4750 CUFTCH		FRYX 728 Coach Car
TSBY 6023 Box Car 50'	TSBY 96637 4000 CUFTCH	TSBY 710001 4750 CUFTCH	TSBY 710070 4750 CUFTCH	TSBY 710070 4750 CUFTCH		FRYX 729 Coach Car
TSBY 6032 Box Car 50'	TSBY 96645 4000 CUFTCH	TSBY 710002 4750 CUFTCH	TSBY 710071 4750 CUFTCH	TSBY 710071 4750 CUFTCH		FRYX 730 Coach Car
TSBY 6039 Box Car 50'	TSBY 96647 4000 CUFTCH	TSBY 710003 4750 CUFTCH	TSBY 710073 4750 CUFTCH	TSBY 710073 4750 CUFTCH		FRYX 731 Coach Car
TSBY 6043 Box Car 50'	TSBY 96650 4000 CUFTCH	TSBY 710004 4750 CUFTCH	TSBY 710074 4750 CUFTCH	TSBY 710074 4750 CUFTCH		FRYX 732 Coach Car
TSBY 6044 Box Car 50'	TSBY 96657 4000 CUFTCH	TSBY 710005 4750 CUFTCH	TSBY 710075 4750 CUFTCH	TSBY 710075 4750 CUFTCH		FRYX 733 Coach Car
TSBY 6048 Box Car 50'	TSBY 96671 4000 CUFTCH	TSBY 710006 4750 CUFTCH	TSBY 710076 4750 CUFTCH	TSBY 710076 4750 CUFTCH		FRYX 734 Coach Car
TSBY 44712 4750 CUFTCH	TSBY 96752 4000 CUFTCH	TSBY 710007 4750 CUFTCH	GLC 4102 2980 CUFTCH	GLC 4102 2980 CUFTCH		FRYX 735 Coach Car
TSBY 44713 4750 CUFTCH	TSBY 96758 4000 CUFTCH	TSBY 710008 4750 CUFTCH	GLC 4105 2980 CUFTCH	GLC 4105 2980 CUFTCH		FRYX 736 Coach Car
TSBY 44714 4750 CUFTCH	TSBY 96810 4000 CUFTCH	TSBY 710009 4750 CUFTCH	GLC 4110 2980 CUFTCH	GLC 4110 2980 CUFTCH		FRYX 737 Coach Car
TSBY 44715 4750 CUFTCH	TSBY 96857 4000 CUFTCH	TSBY 710010 4750 CUFTCH	GLC 4114 2980 CUFTCH	GLC 4114 2980 CUFTCH		FRYX 738 Coach Car
TSBY 96003 4000 CUFTCH	TSBY 96860 4000 CUFTCH	TSBY 710011 4750 CUFTCH	GLC 4115 2980 CUFTCH	GLC 4115 2980 CUFTCH		FRYX 739 Coach Car
TSBY 96004 4000 CUFTCH	TSBY 96870 4000 CUFTCH	TSBY 710013 4750 CUFTCH	GLC 4119 2980 CUFTCH	GLC 4119 2980 CUFTCH		FRYX 740 Coach Car
TSBY 96023 4000 CUFTCH	TSBY 96874 4000 CUFTCH	TSBY 710015 4750 CUFTCH	GLC 4123 2980 CUFTCH	GLC 4123 2980 CUFTCH		FRYX 790 Cab Car
TSBY 96024 4000 CUFTCH	TSBY 96878 4000 CUFTCH	TSBY 710017 4750 CUFTCH	GLC 4127 2980 CUFTCH	GLC 4127 2980 CUFTCH		FRYX 791 Cab Car
TSBY 96026 4000 CUFTCH	TSBY 96902 4000 CUFTCH	TSBY 710018 4750 CUFTCH	GLC 4128 2980 CUFTCH	GLC 4128 2980 CUFTCH		FRYX 792 Cab Car
TSBY 96032 4000 CUFTCH	TSBY 96960 4000 CUFTCH	TSBY 710019 4750 CUFTCH	GLC 4129 2980 CUFTCH	GLC 4129 2980 CUFTCH		FRYX 793 Cab Car
TSBY 96053 4427 CUFTCH	TSBY 96967 4000 CUFTCH	TSBY 710020 4750 CUFTCH	GLC 4131 2980 CUFTCH	GLC 4131 2980 CUFTCH		FRYX 794 Cab Car
TSBY 96054 4427 CUFTCH	TSBY 96973 4000 CUFTCH	TSBY 710021 4750 CUFTCH	GLC 4133 2980 CUFTCH	GLC 4133 2980 CUFTCH		FRYX 795 Cab Car
TSBY 96068 4000 CUFTCH		TSBY 710022 4750 CUFTCH	GLC 4134 2980 CUFTCH	GLC 4134 2980 CUFTCH		FRYX 796 Cab Car
TSBY 96083 4000 CUFTCH		TSBY 710023 4750 CUFTCH	GLC 4142 2980 CUFTCH	GLC 4142 2980 CUFTCH		FRYX 797 Cab Car
		TSBY 710024 4750 CUFTCH	GLC 4143 2980 CUFTCH	GLC 4143 2980 CUFTCH		RANX 1347 Diner Car
		TSBY 710025 4750 CUFTCH	GLC 4144 2980 CUFTCH	GLC 4144 2980 CUFTCH		TSBY 5447 Passenger with generator
			GLC 4146 2980 CUFTCH	GLC 4146 2980 CUFTCH		
			GLC 4150 2980 CUFTCH	GLC 4150 2980 CUFTCH		