RECORDATION NO. 31514 FILED
DEC 11 '14 -3 05 PM
SURFACE TRANSPORTATION BOARD

BRYAN CAVE

Quinn C. Wheeler
Direct: (602) 364-7027
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December 8, 2014

VIA FEDEX

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

Dear Chief:

I have enclosed an original counterpart and a certified copy of each of the documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

1. This document is a Chattel Mortgage and Security Agreement ("Mortgage") dated as of November 17, 2014, a primary document, as defined in the Board's Rules for the Recordation of Documents at 49 C.F.R. § 1177.1(a). This Mortgage relates to the locomotives bearing the identification marks and numbers listed in Section 1.1(i) of the Mortgage.

   The name and addresses of the parties to the Mortgage are as follows:

   MORTGAGEE/ SECURED PARTY: Bank of America, N.A.
   540 West Madison, 16th Floor
   Chicago, IL 60661

   MORTGAGOR/ DEBTOR: Coos Bay Railroad Operating Company, LLC
   115 Hall Avenue
   Coos Bay, OR 97420

   A description of the locomotives covered by the document is as follows: **GP30 locomotive marked and numbered CBR 2446 and GP30 locomotive marked and numbered CBR 2470.**

2. This document is an Amended and Restated Chattel Mortgage and Security Agreement ("Mortgage") dated as of November 17, 2014, a primary

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document, as defined in the Board's Rules for the Recordation of Documents at 49 C.F.R. § 1177.1(a). This Mortgage relates to the locomotives bearing the identification marks and numbers listed in Section 1.1(i) of the Mortgage.

The name and addresses of the parties to the Mortgage are as follows:

MORTGAGEE/ SECURED PARTY: Bank of America, N.A.
540 West Madison, 16th Floor
Chicago, IL 60661

MORTGAGOR/ DEBTOR: Coos Bay Railroad Operating Company, LLC
115 Hall Avenue
Coos Bay, OR 97420

A description of the locomotive covered by the document is as follows: **GP30 locomotive marked and numbered CBR 2439.**

Our check for the prescribed recordation fee of $43.00 for each Chattel Mortgage is enclosed. Please return any extra copies not needed by the Board for recordation to Quinn C. Wheeler, Bryan Cave LLP, Two North Central Avenue, Suite 2200, Phoenix, AZ 85004-4406.

A short summary of document 1 to appear in the index follows:

> Chattel Mortgage and Security Agreement dated as of November 17, 2014, between Coos Bay Railroad Operating Company, LLC (the "Mortgagor" or "Debtor"), and Bank of America, N.A. (the "Mortgagee" or "Secured Party"), a primary document, relating to those certain locomotives described in Section 1.1(i).

A short summary of document 2 to appear in the index follows:

> Amended and Restated Chattel Mortgage and Security Agreement dated as of November 17, 2014, between Coos Bay Railroad Operating Company, LLC (the "Mortgagor" or "Debtor"), and Bank of America, N.A. (the "Mortgagee" or "Secured Party"), a primary document, relating to those certain locomotives described in Section 1.1(i).

Sincerely,

Quinn C. Wheeler

QCW/kmg
Enclosures

RECORDATION NO. 31514 FILED

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SURFACE TRANSPORTATION BOARD

CHATTEL MORTGAGE AND SECURITY AGREEMENT

BETWEEN

COOS BAY RAILROAD OPERATING COMPANY, LLC

MORTGAGOR/DEBTOR

AND

BANK OF AMERICA, N.A.

MORTGAGEE/SECURED PARTY

Dated as of November 17, 2014

CHATTEL MORTGAGE AND SECURITY AGREEMENT

This CHATTEL MORTGAGE AND SECURITY AGREEMENT, dated as of November 17, 2014 (this "Security Agreement"), is entered into between COOS BAY RAILROAD OPERATING COMPANY, LLC, an Oregon limited liability company (the "Mortgagor" or "Debtor"), and BANK OF AMERICA, N.A., a national banking association (the "Mortgagee" or "Secured Party"). Unless otherwise defined herein, all capitalized terms used herein and defined in the "Loan Agreement" (as hereinafter defined) are used herein as therein defined; provided that, where a term is defined by reference to a definition in the Loan Agreement, and the terms "Borrower" or "Lender" are contained in that definition, for purposes hereof, those terms shall be deemed to be the terms "Debtor" and "Secured Party", respectively.

Recitals

A. The Debtor and the Secured Party are parties to that certain Loan Agreement of even date herewith (as the same may be amended, modified, supplemented or restated from time to time, the "Loan Agreement").

B. Pursuant to the terms of the Loan Agreement, the Secured Party has agreed to make a Loan to the Debtor in the principal amount of $354,000.00 (the "Loan"), subject to certain conditions precedent of which the execution and delivery of this Security Agreement is one.

Agreement

1. GRANT OF MORTGAGE AND SECURITY.

1.1 The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Loan according to the terms of the Loan Agreement, and to secure the payment and performance of all other Obligations (as hereinafter defined), does hereby transfer, convey, warrant, mortgage, deliver, pledge, assign and grant to the Secured Party, its successors and assigns, a continuing security interest in, and "Lien" (as hereinafter defined) on, all and singular of the Debtor's right, title and interest in and to the following collateral (collectively, the "Collateral"): all of the Debtor's properties, rights, title, interests and privileges, whether now owned or hereafter acquired:

(i) in that certain (A) **Train Locomotive Model GP-30, Marked CBR 2446, Serial Number 28069, Frame Number 7642-12** and (B) **Train Locomotive—Model GP-30, Marked CBR 2470, Serial Number 28095, Frame Number 7642-38** (collectively, the "Equipment"), together with all accessories, equipment, parts and appurtenances appertaining or attached to the Equipment, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to, any and all of the Equipment, together with all the leases, rents, issues, income, profits and avails therefrom and the proceeds thereof,

(ii) all documents evidencing, and all books and records relating to, the Collateral (including but not limited to, all computer programs, data, disks, tapes, media and printouts where the foregoing is stored or embodied, wherever located); and

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(iii) all cash and non-cash proceeds of the foregoing, all proceeds from insurance on any of the foregoing, all additions and accessions to and replacements and substitutions for any of the foregoing, everything that becomes (or is held for the purpose of being) affixed to or installed in any of the foregoing, and all products, income and profits of or from the foregoing.

1.2 This Security Agreement shall be in full force and effect until all the Obligations have been fully and irrevocably paid, discharged and performed

2. COVENANTS AND WARRANTIES OF THE DEBTOR

The Debtor covenants, warrants and agrees as follows:

2.1 Debtor's Duties.

The Debtor covenants and agrees well and truly to perform, abide by and to be governed and restricted by, each and all of the terms, provisions, restrictions, covenants and agreements set forth in this Security Agreement and the Loan Agreement and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants, amendments or supplements to the Loan Agreement were fully set out in an amendment or supplement to this Security Agreement.

2.2 Maintenance; Insurance; Use.

(a) The Debtor at its own expense shall maintain and service the Equipment and comply with a preventative maintenance schedule which shall include testing, repair and overhaul of the Equipment so that the Equipment shall remain (i) in compliance with any and all applicable laws and regulations and eligible for railroad interchange in accordance with the rules of the Association of American Railroads ("AAR"), and (ii) suitable for immediate purchase or lease and use by a Class I linehaul railroad (not then or prospectively a debtor in any insolvency or reorganization proceedings) in the event of sale upon an Event of Default. In no event shall the Equipment be maintained or scheduled for maintenance on a basis less frequent than the maintenance scheduling employed as of the date hereof by the Debtor for similar equipment.

(b) The Debtor shall maintain with responsible insurance companies, such insurance on such of its assets and properties (including but not limited to the Collateral), in such amounts and against such risks as is customarily maintained by similar businesses, and in any event, in an amount not less than the full fair insurable value of all such assets and properties where insurance is customarily maintained or otherwise required by the Loan Agreement.

(c) The Debtor agrees that the Equipment will be used and operated only for purposes or operations in the ordinary course of its business and within the United States of America.

2.3 Warranty of Title.

The Debtor shall have the right, power and authority to grant a valid, first priority Lien on, and security interest in, the Collateral to the Secured Party for the uses and purposes herein set forth; no Lien (other than the Permitted Liens (as defined herein)) shall be attached to the Collateral and the Debtor shall warrant and defend the title to the Collateral against all claims and demands of all third Persons or

Persons claiming by, through or under the Debtor. The Debtor shall not create, assume or allow to exist any Lien on the Collateral other than Permitted Liens. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lease, lien or charge of any kind (including any agreement to give any of the foregoing), any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement under 49 U.S.C. § 11301, or the UCC of any jurisdiction. As used herein, "Permitted Liens" shall mean (a) the Lien and security interest created by this Security Agreement; (b) the Lien of taxes, assessments or governmental charges or levies which are not at the time delinquent; (c) the Lien of taxes, assessments or governmental charges or levies which are delinquent but the validity of which is being contested in good faith by appropriate action diligently pursued, if the Debtor shall have set aside on its books adequate reserves in accordance with generally accepted accounting principles, provided that such proceeding shall suspend the collection of such taxes, assessments or governmental charges and, the Lien on and security interest in the Collateral, or any part thereof, would not in the opinion of the Secured Party be adversely affected or forfeited during the period of such contest; (d) Liens to secure obligations under worker's compensation laws or similar legislation to secure public or statutory obligations of the Debtor or any of its subsidiaries, and (e) Liens imposed by law such as mechanics', workmen's, materialmen's, carriers' or other like Liens arising in the ordinary course of business which secure payment of obligations which are not past due or the validity of which are being contested in good faith by action diligently pursued, if the Debtor shall have set aside on its books adequate reserves in accordance with generally accepted accounting principles, provided that the Lien on and security interest in the Collateral, or any part thereof, would not in the opinion of the Secured Party be adversely affected or forfeited during the period of such contest.

2.4 Further Assurances.

The Debtor shall, at its expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the Lien on, and security interest in, the Collateral being created by this Security Agreement, whether such Collateral is now owned or hereafter acquired.

2.5 Recordation and Filing.

The Debtor shall cause this Security Agreement and any supplements hereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured party in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder.

2.6 Power of Attorney.

The Debtor does hereby irrevocably constitutes and appoints the Secured Party, upon the occurrence and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under this Security Agreement with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

3. POSSESSION OF COLLATERAL AND USE OF EQUIPMENT; INSURANCE PROCEEDS.

3.1 Possession of Collateral.

So long as there is no Event of Default, the Debtor may remain in full possession, enjoyment and control of the Collateral, and may manage, operate and use the Equipment and each part thereof with all of the rights and franchises appertaining thereto.

3.2 Insurance Proceeds.

If, prior to the occurrence of an Event of Default, the Equipment is destroyed, lost, stolen, irreparably damaged, taken by any governmental entity or otherwise becomes unusable in the business of the Debtor (a "Casualty Loss"), in that event, any proceeds payable to the Debtor or to the Secured Party as a result of such Casualty Loss whether in respect of insurance proceeds, condemnation awards, payments from railroads or lessees or otherwise (collectively, "Casualty Loss Proceeds") shall be paid to the Secured Party and applied by the Secured Party in the same manner as provided for sale proceeds in Section 6.

4. SECURED PARTY'S RIGHTS.

The Debtor agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under 49 U.S.C. § 11301, and under the UCC of the State of Arizona (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), as applicable.

5. EFFECT OF SALE.

Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all Persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns.

6. APPLICATION OF SALE PROCEEDS.

The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and/or avails of any remedy hereunder shall be paid to and applied as follows:

6.1 First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder by the Secured party and of all taxes, assessments or Liens superior to the Lien of these presents, except any superior Lien subject to which said sale may have been made;

6.2 Second, to the payment of principal, interest and other amounts in respect of the Obligations; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid, then first to such other amounts, second, to such unpaid interest and third, to such unpaid principal; and

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6.3 Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same; it being understood that the Debtor shall remain liable to the Secured Party to the extent of any deficiency between the amount of the proceeds of such disposition and the aggregate amount of the sums referred to in Sections 6.1 and 6.2.

7. DISCONTINUANCE OF REMEDIES.

In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and the Secured Party shall be restored to their former positions and rights hereunder with respect to the Collateral.

8. REMEDIES CUMULATIVE.

No delay or omission of the Secured Party to exercise any right or power arising from any Default or Event of Default, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such Default or Event of Default. No waiver by the Secured Party of any such Default or Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default or Event of Default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Obligations, operate to prejudice, waive or affect the Lien or security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

9. INDEMNITY.

The Debtor agrees to indemnify, protect and hold harmless the Secured Party from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof (except arising from the willful misconduct or gross negligence of the Secured Party), and expenses in connection therewith, including, but not limited to, reasonable counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Security Agreement, the retention by the Secured Party of a Lien on or security interest in the Collateral, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or repossession of any of the Equipment, any accident in connection with the operation, use, condition, possession, storage or repossession of any of the Collateral resulting in damage to property or injury or death to any Person during the period while a Lien on or security interest therein remains in the Secured Party or during the period of the transfer of such Lien on or security interest in the Collateral by the Secured Party pursuant to any of the provisions of this Security Agreement. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the Obligations, the release of the Lien on and security interest in the Collateral as provided in Section 11.4 hereof, or the termination of this Security Agreement in any manner whatsoever.

10. DEFINITIONS.

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As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" is defined in Section 2.2(a).

"Casualty Loss" is defined in Section 3.2.

"Casualty Loss Proceeds" is defined in Section 3.2.

"Collateral" is defined in Section 1.1.

"Debtor" is defined in the first paragraph.

"Equipment" is defined in Section 1.1.

"Lien" is defined in Section 2.3.

"Loan Agreement" is defined in the first Recital of this Security Agreement.

"Obligations" means all indebtedness (whether principal, interest, fees or otherwise), obligations and liabilities of the Debtor to the Secured Party (including but not limited to those arising under the Loan Agreement) as the same may be renewed, extended, amended, rearranged, restructured, refinanced, replaced or otherwise modified, whether now existing or hereafter created, absolute or contingent, direct or indirect, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise.

"Permitted Lien" is defined in Section 2.3.

"Secured Party" is defined in the first paragraph.

"Security Agreement" is defined in the first paragraph.

"Section" means and refers to a section of this Security Agreement unless specified to the contrary herein.

"UCC" shall mean the Uniform Commercial Code or such other similar statute as in effect from time to time in the State of Oregon, Arizona, or any other appropriate jurisdiction, as applicable.

11. MISCELLANEOUS.

11.1 Successors and Assigns.

Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

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11.2 Partial Invalidity.

The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

11.3 Notices.

All notices and other communications provided for herein shall be in writing and shall be deemed to have been given as required by the Loan Agreement.

11.4 Releases.

At the expense of the Debtor, the Secured Party shall release this Security Agreement, and the Lien and security interest granted hereby, by proper instrument or instruments when all indebtedness and obligations of the Debtor under the Loan Agreement, Security Agreement and other Loan Documents have been fully and irrevocably paid, discharged or performed.

11.5 Governing Law.

This Security Agreement shall be construed in accordance with and governed by the laws of the State of Arizona; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11301 and such additional rights, arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof, as shall be conferred by the laws of the several jurisdictions in which this Security Agreement or any assignment hereof shall be filed, recorded or deposited.

11.6 Counterparts.

This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

11.7 Headings.

Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

Bank of America, N.A.

By_____
Typed Name Timothy V Tomasko
Title Vice President

Coos Bay Railroad Operating Company, LLC

By_____
Typed Name SCOTT L. PARKINSON
Title MANAGER

State of District of Columbia)

County of —)

The foregoing instrument was acknowledged before me this Nov 26, 2014 (date) by Scott L. Parkinson, the Manager of Coos Bay Railroad Operating Company, LLC, an Oregon limited liability company, on behalf of the limited liability company.

Notary Public (Signature)

Oh Sung Choi
Notary Public, District of Columbia
My Commission Expires 11/30/2016

(Notary's printed name)

My commission expires _____.

OH SUNG CHOI
NOTARY PUBLIC
DISTRICT OF COLUMBIA
MY COMMISSION EXPIRES 11/30/2016

State of MI)

County of Macomb)

K BISCHOFF
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MACOMB
My Commission Expires Jan. 8, 2018
Acting in the County of Macomb

The foregoing instrument was acknowledged before me this Dec. 2, 2014 (date) by Timothy V. Tomasko the Vice President of Bank of America, N.A., a national banking association on behalf of the association.

K. Bischoff Notary Public (Signature)

K. Bischoff (Notary's printed name)

My commission expires 01/08/2018

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

CERTIFICATION

I, Quinn C. Wheeler, hereby certify that I have compared the copy of the Chattel Mortgage and Security Agreement attached hereto with the original and found the copy to be complete and identical in all respects to the original document.

I hereby declare under penalty of perjury under the laws of the United States of America that the foregoing certification is true and correct.

Quinn C. Wheeler

Subscribed and sworn to before me this 8th day of December, 2014, by Quinn C. Wheeler.

Notary Public

My commission expires:

11/1/2018

KAREN M. GRADY
Notary Public - Arizona
Maricopa County
Expires 11/01/2018