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SURFACE TRANSPORTATION BOARD

**BALL JANIK LLP**

A T T O R N E Y S

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KARI MORELL

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January 24, 2008

The Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

Dear Acting Secretary Quinlan:

Enclosed for e-filing is the document described below to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement ("Security Agreement"), a primary document, dated as of December 31, 2007. We request that this document be recorded under the next available recordation number.

The name and address of the parties to the Security Agreement are:

Secured Party:

First Citizens National Bank  
100 W. Washington Avenue  
Union City, TN 38261

Debtor:

The Industrial Development Board  
of the City of Union City, Tennessee  
P.O. Box 9  
Union City, TN 38281-0009  
Attn: City Manager

RECORDATION NO 27357 FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

Between

FIRST CITIZENS NATIONAL BANK (Secured Party)

and

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF UNION CITY,  
TENNESSEE (Debtor)

MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement, made and entered into as of December 31, 2007, is by and between FIRST CITIZENS NATIONAL BANK, 100 W Washington Avenue, Union City, Tennessee 38261, ("Secured Party"), and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF UNION CITY, TENNESSEE, a public not-for-profit corporation of the State of Tennessee ("Debtor"), with its principal place of business at P. O. Box 9, Union City, Tennessee 38281-0009, Attn: City Manager.

WITNESSETH:

Secured Party and Debtor have entered into that certain Security Agreement dated as of December 31, 2007, (the Security Agreement, as it has heretofore and may hereafter be amended, modified, supplemented or restated from time to time, being hereafter called the "Security Agreement"), which is incorporated by reference herein, pursuant to which, among other things, Debtor has granted a lien and security interest in that certain locomotive bearing road number CLCX8128, said locomotive being Model No. EMD SW1, original Serial No. 7515 as more particularly set forth in the Security Agreement and described on the attached Exhibit "A" in order to secure the performance of the Debtor's obligations under that certain Security Agreement.

This Memorandum of Security Agreement may be executed by the parties in any number of counterparts, each executed counterpart constituting an original but altogether one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers duly authorized as of the date and year first above written.

SECURED PARTY:  
FIRST CITIZENS NATIONAL BANK

BY: Jody Kizer  
Jody Kizer, Regional Bank President

DEBTOR.  
THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF UNION CITY, TENNESSEE  
A public not-for-profit corporation of the State of  
Tennessee

BY: Bedford F. Dunavant, IV  
Bedford F. Dunavant, IV, Chairman

BY: Ralph E. Adams  
Ralph Adams, Director/Acting Secretary

STATE OF TENNESSEE

COUNTY OF OBION

On this 31st day of December, 2007, before me personally appeared JOY KIZER, to me personally known, who, being by me duly sworn, says that he is a Regional Bank President of FIRST CITIZENS NATIONAL BANK, that he is duly authorized to sign the foregoing instrument on behalf of FIRST CITIZENS NATIONAL BANK, and acknowledged that the execution of the foregoing instrument was the free act and deed of FIRST CITIZENS NATIONAL BANK.

My Commission Expires: 10/26/2010  
STATE OF TENNESSEE

COUNTY OF OBION

Lori Beth McBride  
Notary Public

On this 31st day of December 31, 2007, before me personally appeared BEDFORD F. DUNAVANT, IV and RALPH ADAMS, to me personally known, who, being by me duly sworn, say that they are the Chairman and Director/Acting Secretary, respectively, of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF UNION CITY, TENNESSEE, a public not-for-profit corporation of the State of Tennessee (the "Industrial Development Board"), that they are duly authorized to sign the foregoing instrument on behalf of the Industrial Development Board, and acknowledged that the execution of the foregoing instrument was the free act and deed of the Industrial Development Board.

My Commission Expires: 10/26/2010  
STATE OF TENNESSEE  
OBION COUNTY

Lori Beth McBride  
Notary Public

# BALL JANIK LLP

The Honorable Anne K. Quinlan

January 24, 2008

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A description of the equipment covered by the Security Agreement consists of a locomotive, Model No. EMD SW1, bearing road number CLCX 8128, as listed on Exhibit A of the Security Agreement.

A fee of \$35.00 is enclosed. Please return one copy to:

Karl Morell  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: Memorandum of Security Agreement between First Citizens National Bank, 100 W. Washington Avenue, Union City, TN 38261 and The Industrial Development Board of the City of Union City, TN, P.O. Box 9, Union City, TN 38281-0009, Attn: City Manager .

Sincerely,



Karl Morell

Enclosure

EXHIBIT "A"  
TO

MEMORANDUM OF SECURITY AGREEMENT BETWEEN  
FIRST CITIZENS NATIONAL BANK AND THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF UNION CITY, TENNESSEE (THE "INDUSTRIAL DEVELOPMENT  
BOARD")

<u>Model</u>	<u>Current Car Mark</u>	<u>Transit ID Number</u>
EMD SW1	CLCX	8128

THE INDUSTRIAL DEVELOPMENT BOARD is purchasing this locomotive. After closing the car mark will remain unchanged.