

JONES DAY

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CHICAGO, ILLINOIS 60601-1692

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May 3, 2005

RECORDATION NO. 25571 FILE

MAY 04 '05

2-41 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: OmniTrax Holdings, LLC

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two original copies of the Memorandum of Security Agreement (U.S. Subsidiaries), dated as of April 28, 2005, between the Grantors party hereto as listed below (each, a "Grantor"), and National City Bank of Midwest, as U.S. Agent (the "U.S. Agent") for the Secured Parties (as defined in the Security Agreement (U.S. Subsidiaries)).

The enclosed document is a primary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents, and is a Memorandum of Security Agreement (U.S. Subsidiaries).

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

Grantors:

Great Western Railway of Colorado, L.L.C.
950 Taylor Avenue
Loveland, CO 80538
Attention: Manager

Georgia Woodlands Railroad, L.L.C.
210 Depot Street
Washington, GA 30673
Attention: Manager

The Great Western Railway Company of Iowa, L.L.C.
200 29th Avenue
Council Bluffs, IA 51501
Attention: Manager

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Manufacturer's Junction Railway, L.L.C.
2335 South Cicero Avenue
Cicero, IL 60804
Attention: Manager

Panhandle Northern Railroad, L.L.C.
100 East Grand
Borger, TX 79007
Attention: Manager

The Newburgh & South Shore Railroad, LLC
4200 East 71st Street
Cleveland, OH 44105
Attention: Manager

Northern Ohio & Western Railway, L.L.C.
525 Wall Street
Tiffin, OH 44883
Attention: Manager

Chicago Rail Link, L.L.C.
2728 E. 104th Street
Chicago, IL 60617
Attention: Manager

OmniTRAX Leasing LLC
OmniTRAX Switching Services, L.L.C.
Quality Terminal Services, LLC
Quality Terminal Services of Illinois, LLC
OmniTRAX Locomotive Services, LLC
252 Clayton Street, 4th Floor
Denver, CO 80206
Attention: Manager

Alliance Terminal Railroad, LLC
1801 Intermodal Parkway
Halset, TX 76052
Attention: Manager

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Fulton County Railway, LLC
600 Wilson Mill Road SW
Atlanta, GA 30331
Attention: Manager

Kettle Falls International Railway, LLC
4th and Meyers Streets
Kettle Falls, WA 99141
Attention: Manager

Alabama & Tennessee River Railway, LLC
3425 Forrest Avenue
Gadsden, AL 35904
Attention: Manager

U.S. Agent: **National City Bank of the Midwest**
629 Euclid Avenue
Cleveland, OH 44114
Attention: Agent Services

The equipment covered by the aforesaid Memorandum of Security Agreement (U.S. Subsidiaries) consists of **all equipment now owned or hereafter acquired** by the Grantors.

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

Memorandum of Security Agreement (U.S. Subsidiaries) between the grantors party thereto and National City Bank of the Midwest, as U.S. Agent, dated April 28, 2005, and covering all equipment now owned or hereafter acquired.

A fee of thirty-two dollars (\$32.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Jennifer Pelic
Jones Day
77 West Wacker Drive
Chicago, Illinois 60601

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If you have any questions or need further information, please do not hesitate to contact the undersigned (312) 269-4376.

Sincerely,


Jennifer Pelic

Enclosures

CHI-1475132v1

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MEMORANDUM OF SECURITY AGREEMENT (U.S. SUBSIDIARIES)

SURFACE TRANSPORTATION BOARD

Memorandum of Security Agreement (U.S. Subsidiaries), made and entered into as of April 28, 2005 by and between the undersigned (collectively, the "Grantors") and National City Bank of the Midwest, as U.S. Agent ("U.S. Agent") for the Secured Parties (as defined in the Security Agreement (U.S. Subsidiaries)).

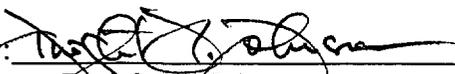
WITNESSETH:

The undersigned have entered into that certain Security Agreement (U.S. Subsidiaries), dated as of April 28, 2005 (the "Security Agreement"), by which the Grantors have granted a security interest in *all equipment now owned or hereafter acquired* to the U.S. Agent in order to secure the Grantors' performance of their respective obligations as described in that certain Credit Agreement dated as of April 28, 2005.

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

THE "GRANTORS"

OMNITRAX LEASING LLC
 GEORGIA WOODLANDS RAILROAD, L.L.C.
 THE GREAT WESTERN RAILWAY COMPANY
 OF IOWA, L.L.C.
 GREAT WESTERN RAILWAY OF COLORADO, L.L.C.
 MANUFACTURERS' JUNCTION RAILWAY, L.L.C.
 PANHANDLE NORTHERN RAILROAD, L.L.C.
 THE NEWBURGH & SOUTH SHORE RAILROAD, LLC
 NORTHERN OHIO & WESTERN RAILWAY, L.L.C.
 CHICAGO RAIL LINK, L.L.C.
 OMNITRAX SWITCHING SERVICES, L.L.C.
 QUALITY TERMINAL SERVICES, LLC
 QUALITY TERMINAL SERVICES OF ILLINOIS, LLC
 OMNITRAX LOCOMOTIVE SERVICES, LLC
 ALLIANCE TERMINAL RAILROAD, LLC
 FULTON COUNTY RAILWAY, LLC
 KETTLE FALLS INTERNATIONAL RAILWAY, LLC
 ALABAMA & TENNESSEE RIVER RAILWAY, LLC

By: 

Name: Dwight N. Johnson

Title: Manager

Executed on this 28 day of April, 2005

NATIONAL CITY BANK OF THE MIDWEST, AS
U.S. AGENT

By 
Name: Stephanie Pass
Title: Senior Vice President

Executed on this 28th day of April, 2005

STATE OF ILLINOIS)

) SS.:

COUNTY OF Cook)

On this, the 28 day of April, 2005, before me, a Notary Public in and for said County and State, personally appeared Stephanie Posa, who being by me duly sworn, says that he is a Sr. Vice Pres of NATIONAL CITY BANK OF THE MIDWEST, that said instrument was signed on April 29, 2005 on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Natalie Allen
Name: Natalie Allen
Notary Public
My Commission Expires: 7/31/07
Residing in Illinois



STATE OF Colorado)

) SS.:

COUNTY OF Denver)

On this, the 26th day of April, 2005, before me, a Notary Public in and for said County and State, personally appeared Dwight N. Johnson, who being by me duly sworn, says that he is the Manager of each of OMNITRAX LEASING LLC, GEORGIA WOODLANDS RAILROAD, L.L.C., THE GREAT WESTERN RAILWAY COMPANY OF IOWA, L.L.C., GREAT WESTERN RAILWAY OF COLORADO, L.L.C., MANUFACTURERS' JUNCTION RAILWAY, L.L.C., PANHANDLE NORTHERN RAILROAD, L.L.C., THE NEWBURGH & SOUTH SHORE RAILROAD, LLC, NORTHERN OHIO & WESTERN RAILWAY, L.L.C., CHICAGO RAIL LINK, L.L.C., OMNITRAX SWITCHING SERVICES, L.L.C., QUALITY TERMINAL SERVICES, LLC, QUALITY TERMINAL SERVICES OF ILLINOIS, LLC, OMNITRAX LOCOMOTIVE SERVICES, LLC, ALLIANCE TERMINAL RAILROAD, LLC, FULTON COUNTY RAILWAY, LLC, KETTLE FALLS INTERNATIONAL RAILWAY, LLC, AND ALABAMA & TENNESSEE RIVER RAILWAY, LLC, that said instrument was signed on April 28, 2005 on behalf of said limited liability companies by authority of their respective members, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability companies.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Elaine Musselman
Notary Public
My Commission Expires: May 17, 2008
Residing in Denver, CO

**ELAINE MUSSELMAN
NOTARY PUBLIC
STATE OF COLORADO**