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March 26, 2008

*Via Overnight (Next Business Day) Delivery*Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001
Attn: Office of Recordations

Dear Secretary Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of a Supplemental Memorandum of Third Amended and Restated Loan and Security Agreement, dated as of January 14, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to a Memorandum of Third Amended and Restated Loan and Security Agreement previously filed with the Board under Recordation Number 26497 through 26497-H.

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

Debtor:	Permian Basin Railways, Inc. Central Car Repair, LLC Isla Largo, LLC 118 South Clinton Street Suite 400 Chicago, Illinois 60601
	Arizona Eastern Railway
	San Luis & Rio Grande Railroad
	Texas and New Mexico Railroad
	West Texas & Lubbock Railway

FLETCHER & SIPPEL LLC

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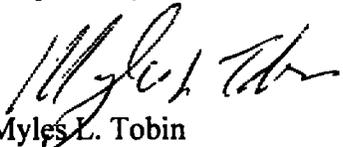
Secured Party: Fifth Third Bank (Chicago)
222 South Riverside Plaza
32nd Floor
Chicago, Illinois 60606

A description of the railroad equipment is included as Exhibit A to the document. Included in the property covered by the aforesaid Third Amended and Restated Loan and Security Agreement are rolling stock and equipment intended for use and related to interstate commerce, and includes rolling stock or equipment acquired by Debtors or its or their successors **after the date** of the Third Amended and Restated Loan and Security Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Respectfully submitted,



Myles L. Tobin
Attorney for Secured Party

Enclosures.

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**SUPPLEMENT TO MEMORANDUM OF THIRD AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

THIS SUPPLEMENT TO MEMORANDUM OF THIRD AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (the "Supplement") dated as of January 14, 2008, is made by and between Fifth Third Bank (Chicago), a Michigan banking corporation, 222 South Riverside Plaza, 32nd Floor, Chicago, Illinois 60606, (the "Bank"), and Permian Basin Railways, Inc., an Illinois corporation, Central Car Repair, LLC, an Illinois limited liability company, and Isla Largo, LLC, an Illinois limited liability company, with its chief executive office and principal place of business at 118 South Clinton Street, Suite 400, Chicago, Illinois 60661 (the "Borrowers").

WHEREAS, Borrowers and Bank are parties to that certain Loan and Security Agreement, dated as of August 1, 2006, an Amended and Restated Loan and Security Agreement, dated as of January 19, 2007, a Second Amended and Restated Loan and Security Agreement, dated as of June 21, 2007 and a Third Amended and Restated Loan and Security Agreement, dated as of November 1, 2007 (collectively "Loan Agreement");

WHEREAS, the Bank has recorded its security interest created by the terms of the Loan Agreement by the filing of a Memorandum of Loan and Security Agreement and Assignments of Reits and Lessors' Interest in Leases, filed with the Surface Transportation Board on August 10, 2006 and assigned recordation numbers 26497, 26497-A, 26497-B, and 26497-C, by the filing of a Memorandum of Amended and Restated Loan and Security Agreement, filed with the Surface Transportation Board on February 5, 2007 and assigned recordation number 26497-E, by the filing of a Memorandum of Second Amended and Restated Loan and Security Agreement with the Surface Transportation Board on September 21, 2007 and assigned recordation number 26497-G and by the filing of a Memorandum of Third Amended and Restated Loan and Security Agreement with the Surface Transportation Board on November 9, 2007 and assigned recordation number 26497-H; and

WHEREAS, Borrowers have purchased additional locomotives since the date of the Loan Agreement, and although those locomotives are already subject to a first priority security interest and chattel mortgage lien by the Bank pursuant to the terms of the Loan Agreement, in an abundance of caution the parties wish to file this Supplement to further evidence the security interest and lien with respect thereto.

1. ACCORDINGLY, pursuant to the terms of the Loan Agreement, the Bank has a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrowers' right, title and interest in and to the Locomotives ("Collateral") more specifically identified on Exhibit A, to have and to hold all and every part of the Collateral unto the Bank, and successors and assigns, for its and their own use and benefit forever.

IN WITNESS WHEREOF, the parties have caused this Supplement to be executed as of the date first above written.

WITNESS:

Deborah Reed

PERMIAN BASIN RAILWAYS, INC., an Illinois Corporation, individually, and as owner of Arizona Eastern Railway, San Luis & Rio Grande Railroad, Texas & New Mexico Railroad, West Texas & Lubbock Railway, and Chicago Terminal Railroad Company

By: 
Name: Edwin Ellis
Title: President

WITNESS:

Deborah Reed

CENTRAL CAR REPAIR, LLC, an Illinois limited liability company

By: Iowa Pacific Holdings, LLC
Its: Manager

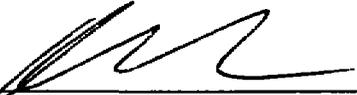
By: 
Title: Manager

WITNESS:

Deborah Reed

ISLA LARGO, LLC, an Illinois limited liability company

By: Iowa Pacific Holdings, LLC
Its: Manager

By: 
Title: Manager

WITNESS:

Nancy A. Allen

FIFTH THIRD BANK (CHICAGO), a Michigan Banking Corporation

By: 
Title: 

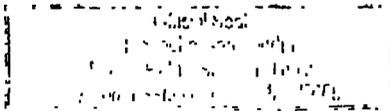
EXHIBIT A

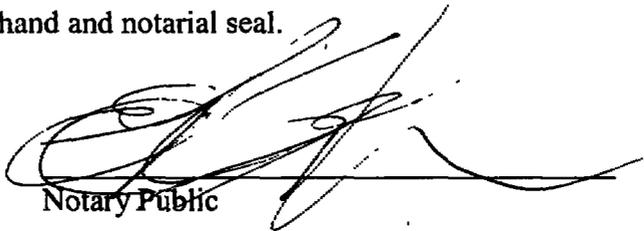
<u>Model Description of Locomotives</u>	<u>Road Nos.</u>
GE B39-8 Locomotive	MMA 8560
GE B39-8 Locomotive	MMA 8522
GE B39-8 Locomotive	MMA 8536
GE B39-8 Locomotive	MMA 8539
GE B39-8 Locomotive	MMA 8548

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 14th day of January, 2008, before me, a Notary Public of the County and State aforesaid, personally appeared Ed ELLIS to me personally known, who being by me duly sworn, says that he is the President of Permian Basin Railways, Inc., an Illinois corporation, that said instrument was signed on behalf of said corporation 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 corporation.

AS WITNESS my hand and notarial seal.




Notary Public

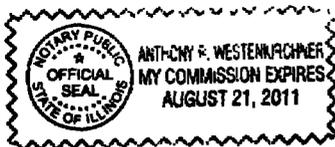
My Commission Expires:

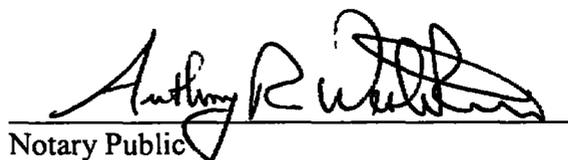
8.4.14.2009

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 14th day of January, 2008, before me, a Notary Public of the County and State aforesaid, personally appeared Ed Ellis to me personally known, who being by me duly sworn, says that he is the Manager of Central Car Repair, LLC, an Illinois limited liability company, that said instrument was signed on behalf of said corporation 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 corporation.

AS WITNESS my hand and notarial seal.




Notary Public

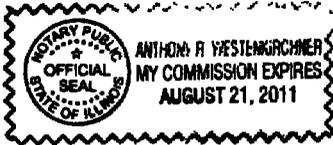
My Commission Expires:

8/21/2011

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 14th day of January, 2008, before me, a Notary Public of the County and State aforesaid, personally appeared Cd Ellis to me personally known, who being by me duly sworn, says that he is the Manager of Isla Largo, LLC, an Illinois limited liability company, that said instrument was signed on behalf of said corporation 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 corporation.

AS WITNESS my hand and notarial seal.



Anthony R. Westenkirchner
Notary Public

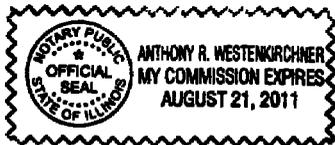
My Commission Expires:

8/21/2011

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 14th day of January, 2008, before me, a Notary Public of the County and State aforesaid, personally appeared Craig Schmith to me personally known, who being by me duly sworn, says that he is the Vice President of Fifth Third Bank (Chicago), a Michigan banking corporation, that said instrument was signed on behalf of said corporation 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 corporation.

AS WITNESS my hand and notarial seal.



Anthony R. Westenkirchner
Notary Public

My Commission Expires:

8/21/2011