

RECORDATION NO. 29384 FILED

JUL 28 '10 -12 05 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
—
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

July 28, 2010

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

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of May 14, 2010, a primary document as defined in the Board's Rules for the Recordation of Documents

The document covers all rail equipment and leasehold interests therein of the Borrowers now owned or hereafter acquired

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

Lender: JP Morgan Chase Bank, N.A.
1 Bank One Plaza
Chicago, Illinois 60670

Borrowers: Isla Largo, LLC
Iowa Pacific Holdings, LLC
Central Car Repair, LLC
Permian Basin Railways, Inc.
Arizona Eastern Railway Company
San Luis & Rio Grande Railroad, Inc.
Chicago Terminal Railroad Company
High Iron Travel Corporation
Mt. Hood Railway Company

Chief, Section of Administration
July 28, 2010
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West Texas & Lubbock Railway Company, Inc
Austin & Northwestern Railroad Company, Inc
118 South Clinton Street, Suite 400
Chicago, Illinois 60601

A description of the railroad equipment covered by the enclosed document
is:

All locomotives, railcars and other rolling stock of Borrowers,
including any lease and sublease interests relating thereto, whether
now owned or hereafter acquired, effective as of May 14, 2010

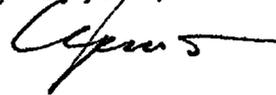
A short summary of the document to appear in the index is:

Memorandum of Security Agreement

Also enclosed is a check in the amount of \$41.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W Alvord

RWA/bhs
Enclosures

JUL 28 '10 -12 05 PM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

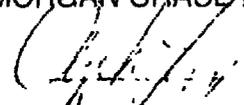
This Memorandum of Security Agreement is made and entered into as of May 14, 2010, by and among IOWA PACIFIC HOLDINGS, LLC, CENTRAL CAR REPAIR, LLC, PERMIAN BASIN RAILWAYS, INC . ISLA LARGO, LLC, ARIZONA EASTERN RAILWAY COMPANY, SAN LUIS & RIO GRANDE RAILROAD, INC , CHICAGO TERMINAL RAILROAD COMPANY, HIGH IRON TRAVEL CORPORATION, MT. HOOD RAILWAY COMPANY, WEST TEXAS & LUBBOCK RAILWAY COMPANY, INC. and AUSTIN & NORTHWESTERN RAILROAD COMPANY, INC. (hereinafter each individually a "Borrower" and collectively referred to as JP MORGAN CHASE BANK, N A. (hereinafter referred to as the "Lender"), respecting that certain Security Agreement dated as of May 14, 2010 among Borrowers and Lender entered into pursuant to and subject to the credit agreement referenced therein (hereinafter referred to as the "Credit Agreement").

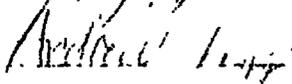
Borrower and Lender hereby affirm and acknowledge Borrowers have agreed to grant the Lender a first priority security interest in all locomotives, railcars and other rolling stock of Borrowers, including any lease and sublease interests relating thereto, whether now owned or hereafter acquired, effective as of May 14, 2010 and subject to the terms defined in the Credit Agreement

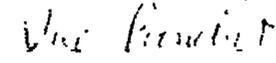
IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

LENDER:

JP MORGAN CHASE BANK, N.A.

By. 

Name: 

Title 

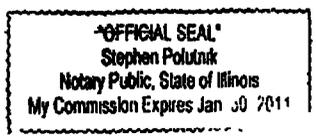
STATE OF Illinois)
COUNTY OF Cook)

SS:

On this 3rd of June, 2010, before me personally
appeared Michael [unclear], to me personally
known, who being duly sworn, stated that he/she is
Vice President of JP MORGAN CHASE BANK, N.A., that said
instrument was signed on behalf of said corporation by all necessary authority,
and he/she acknowledged that the execution of the foregoing instrument was the
free act and deed of said bank.

[Signature]
Notary Public

My Commission Expires



BORROWERS.

IOWA PACIFIC HOLDINGS, LLC

By: _____

Name: John A. ...

Title: President

CENTRAL CAR REPAIR, LLC

By: _____

Name: Thomas ...

Title: Manager

PERMIAN BASIN RAILWAYS, INC

By: _____

Name: John ...

Title: President

ISLA LARGO, LLC

By: _____

Name: Thomas ...

Title: Manager

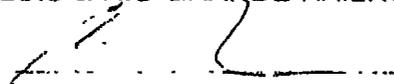
ARIZONA EASTERN RAILWAY COMPANY

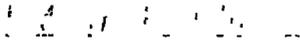
By: _____

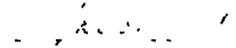
Name: John ...

Title: President

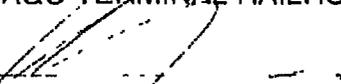
SAN LUIS & RIO GRANDE RAILROAD, INC

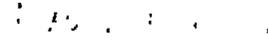
By: 

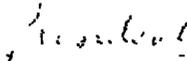
Name: 

Title: 

CHICAGO TERMINAL RAILROAD COMPANY

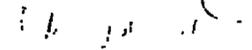
By: 

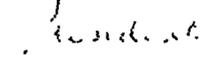
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Title: 

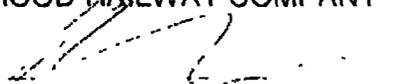
HIGH IRON TRAVEL CORPORATION

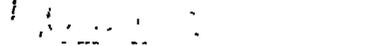
By: 

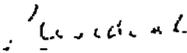
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Title: 

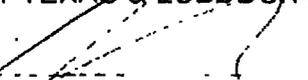
MT. HOOD RAILWAY COMPANY

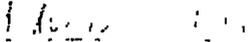
By: 

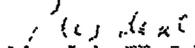
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Title: 

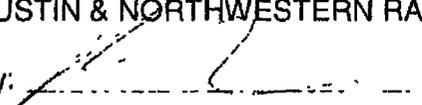
WEST TEXAS & LUBBOCK RAILWAY COMPANY, INC

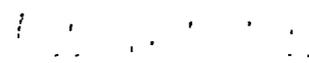
By: 

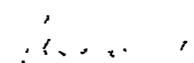
Name: 

Title: 

AUSTIN & NORTHWESTERN RAILROAD COMPANY, INC

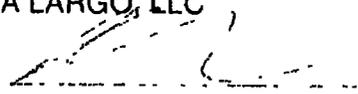
By: 

Name: 

Title: 

BORROWER.

ISLA LARGO, LLC

By  _____

Name *Ismael...*

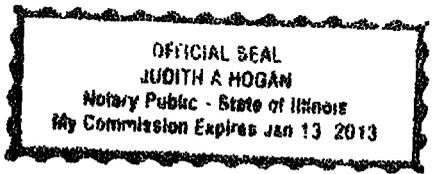
Title: *Manager*

STATE OF Illinois)
COUNTY OF Madison) SS.

On this 23rd of December, 2011, before me personally appeared John J. Hogan, to me personally known, who being duly sworn, stated that he/she is John J. Hogan of "BORROWER", that said instrument was signed on behalf of said corporation by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Judith A. Hogan
Notary Public

My Commission Expires Jan 13 2013



CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated:

7/28/10



Robert W. Alvord