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SURFACE TRANSPORTATION BOARD

**LAW OFFICES OF
LOUIS E. GITOMER, LLC.**

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October 12, 2011

Ms. Cynthia J. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Dear Ms. Brown:

I have enclosed for e-filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Release, a secondary document, dated as of October 28, 2011. The primary document to which this is connected is recorded under Recordation No. 27990. We request that this document be recorded under Recordation No. 27990-1).

The names and addresses of the parties to the Second Amendment to Memorandum of Security Agreement are:

Collateral Agent:

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3C
St. Paul, MN 55107-2292

Borrowers:

- RailAmerica, Inc.
- Palm Beach Rail Holding, Inc.
- RailAmerica Transportation Corp.
- A & R Line, Inc.
- Alabama & Gulf Coast Railway L.L.C.
- Arizona & California Railroad Company
- Bauxite & Northern Railway Company
- California Northern Railroad Company
- Cascade and Columbia River Railroad Company
- Central Oregon & Pacific Railroad, Inc.

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The Central Railroad Company of Indiana
Central Railroad Company of Indianapolis
Connecticut Southern Railroad, Inc.
Dallas, Garland & Northeastern Railroad, Inc.
Eastern Alabama Railway, Inc.
Huron & Eastern Railway Company, Inc.
Indiana & Ohio Rail Corp.
Indiana & Ohio Railway Company
Indiana Southern Railroad, Inc.
Kiamichi Railroad Company L.L.C.
Kyle Railroad Company
Kyle Railways, LLC
The Massena Terminal Railroad Company
Mid-Michigan Railroad, Inc.
Missouri & Northern Arkansas Railroad Company, Inc.
New England Central Railroad, Inc.
New StatesRail Holdings, LLC
North Carolina & Virginia Railroad Company, LLC
Otter Tail Valley Railroad Company, Inc.
Point Comfort and Northern Railway Company
Puget Sound & Pacific Railroad Company
RailAmerica Contract Switching Services, Inc.
RailAmerica Equipment Corp.
RailAmerica Intermodal Services, Inc.
RailAmerica Operations Shared Services, Inc.
RailAmerica Operations Support Group, Inc.
RailTex, Inc.
Rockdale, Sandow & Southern Railroad Company
San Diego & Imperial Valley Railroad Company, Inc.
San Joaquin Valley Railroad Company
San Pedro Trails, Inc.
South Carolina Central Railroad Company, Inc.
South East Rail, Inc.
StatesRail II Railroad LLC
StatesRail, LLC
Toledo, Peoria & Western Railway Corporation
Ventura County Railroad Company
Conecuh Valley Railway, LLC
Three Notch Railway, LLC
Wiregrass Central Railway, LLC
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256

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A description of the equipment covered by the Partial Release consists of thirty-five locomotives marked and numbered ISRR 5215, TPWR 2060, VSRR 3841, TPWR 2017, KRRR 3811, KRRR 3815, GSWR 4026, DGNO 3863, VSRR 3842, GSWR 1900, NECR 3853, SJVR 2038, ISRR 4162, KRRR 3812, GSWR 4029, CPNR 4098, MMRR 180, MNAR 4163, MNAR 4164, AGRR 4005, MMRR 179, CPDR 8387, SJVR 2042, SJRV 2043, AGRR 4027, AGRR 4028, KRRR 3813, KRRR 3814, DGNO 4017, CSOR 8552, CSOR 8554, CMRY 2001, CMRY 2002, CMRY 4065, CMRY 8903.

A fee of \$41.00 is enclosed. Please return one copy by email to:

Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
Lou Gitomer@verizon.net

A short summary of the document to appear in the index follows: a Partial Release between U.S. Bank National Association, 60 Livingston Avenue, EP-MN-WS3C, St. Paul, MN 55107-2292, and RailAmerica, Inc., Palm Beach Rail Holding, Inc., RailAmerica Transportation Corp., A & R Line, Inc., Alabama & Gulf Coast Railway L.L.C., Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Eastern Alabama Railway, Inc., Huron & Eastern Railway Company, Inc., Indiana & Ohio Rail Corp., Indiana & Ohio Railway Company, Indiana Southern Railroad, Inc., Kiamichi Railroad Company L.L.C., Kyle Railroad Company, Kyle Railways, L.L.C., The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., New StatesRail Holdings, L.L.C., North Carolina & Virginia Railroad Company, LLC, Otter Tail Valley Railroad Company, Inc., Point Comfort and Northern Railway Company, Puget Sound & Pacific Railroad Company, RailAmerica Contract Switching Services, Inc., RailAmerica Equipment Corp., RailAmerica Intermodal Services, Inc., RailAmerica Operations Shared Services, Inc., RailAmerica Operations Support Group, Inc., RailTex, Inc., Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Company, San Pedro Trails, Inc., South Carolina Central Railroad Company, Inc., South East Rail, Inc., StatesRail II Railroad LLC, StatesRail, L.L.C., Toledo, Peoria & Western Railway Corporation, Ventura County Railroad Company, Conecuh Valley Railway, L.L.C., Three

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Notch Railway, LLC, and Wiregrass Central Railway, LLC, 7411 Fullerton Street Suite 300, Jacksonville, FL 32256, covering thirty-five (35) locomotives marked and numbered ISRR 5215, TPWR 2060, VSRR 3841, TPWR 2017, KRRR 3811, KRRR 3815, GSWR 4026, DGNO 3863, VSRR 3842, GSWR 1900, NECR 3853, SJVR 2038, ISRR 4162, KRRR 3812, GSWR 4029, CFNR 4098, MMRR 180, MNAR 4163, MNAR 4164, AGRR 4005, MMRR 179, CPDR 8387, SJVR 2042, SJRV 2043, AGRR 4027, AGRR 4028, KRRR 3813, KRRR 3814, DGNO 4017, CSOR 8552, CSOR 8554, CMRY 2001, CMRY 2002, CMRY 4065, CMRY 8903..

Very Truly Yours,

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Melanie B. Yasbin

Enclosure

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SURFACE TRANSPORTATION BOARD

Release from Surface Transportation Board Filed Encumbrance:

This Release from Surface Transportation Board Filed Encumbrance ("this Release") is given this 29th day of October, 2011 by U.S. National Bank Association, as Trustee and Notes Collateral Agent (the "Collateral Agent"). Unless otherwise defined herein, capitalized terms used herein have the meanings provided in the Indenture dated as of June 23, 2009.

WHEREAS, Collateral Agent acknowledges that certain documents have been filed with the Surface Transportation Board (the "STB") including, but not limited to the following documents:

1. Memorandum of Security Agreement, filed with the Surface Transportation Board on June 23, 2009 and bearing Surface Transportation Recordation No. 27990;
2. First Amendment to Memorandum of Security Agreement, dated June 30, 2011, bearing Surface Transportation Recordation No. 27990-A filed on July 14, 2011; and
3. Second Amendment to Memorandum of Security Agreement dated August 12, 2011, bearing STB Recordation No. 27990-B and recorded October 12, 2011.

WHEREAS, pursuant to those filings made with the STB, RailAmerica, Inc. (the Company") and each Domestic Subsidiary Grantor granted the Collateral Agent a security interest in all locomotives, railcars and other rolling stock of the Company (the "Collateral");

WHEREAS, the Company wishes to dispose of assets relating to the sale of forty-nine (49) locomotive units, thirty five (35) of which are encumbered under STB Recordation No. 27990, and further described in Schedule 1 for Fair Market Value and requests release of the security interest to accomplish sales of said locomotive units;

NOW THEREFORE, in consideration of the premises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Collateral Agent hereby submits the following:

A. Collateral Agent hereby releases assignment, pledge, hypothecation, charge, mortgage, delivery, and transfer of:

Thirty-Five (35) Locomotives described under Schedule 1 herein:

SCHEDULE 1
 LOCOMOTIVES SOLD TO BRO-TEX INTERNATIONAL METALS, LLC.
 (Bearing US marks only)

<u>Count</u>	<u>Number</u>	<u>Unit</u>	<u>Model</u>
1	5215	ISRR	SLUG
1	2060	TPWR	REMOTE
1	3841	VSRR	GP38AC
1	2017	TPWR	REMOTE
1	3811	KRRR	GP38SE
1	3815	KRRR	GP38DC
1	4026	GSWR	GP40
1	3863	DGNO	GP38
1	3842	VSRR	GP38AC
1	1900	GSWR	SD9
1	3853	NECR	GP38
1	2038	SJVR	GP20
1	4162	ISRR	SLUG
1	3812	KRRR	GP38SE
1	4029	GSWR	GP40
1	4098	CFNR	SD40
1	180	MMRR	GP9
1	4163	MNAR	SLUG
1	4164	MNAR	SLUG
1	4005	AGR	GP40
1	179	MMRR	GP9
1	8387	CPDR	GP10
1	2042	SJVR	GP20
1	2043	SJVR	GP20

SCHEDULE 1
LOCOMOTIVES SOLD TO BRO-TEX INTERNATIONAL METALS, LLC.
(Bearing US marks only)

1	4027 AGRR GP40
1	4028 AGRR GP40
1	3813 KRRR GP38
1	3814 KRRR GP38SE
1	4017 DGNO GP40

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GE Sale Candidates - Not in Service

1	8552 CSOR B39-8
1	8554 CSOR B39-8
1	2001 CMRY B30-7
1	2002 CMRY B30-7
1	4065 CMRY B30-7
1	8903 CMRY U23B

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35 TOTAL