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LAW OFFICES OF  
**LOUIS E. GITOMER, LLC.****SURFACE TRANSPORTATION BOARD**LOUIS E. GITOMER  
Lou@lgaillaw.comMELANIE B. YASBIN  
Melanie@lgaillaw.com  
410-296-2205

January 12, 2012

600 BALTIMORE AVENUE, SUITE 401  
TOWSON, MARYLAND 21284-4022  
(410) 296-2250 • (202) 456-6532  
FAX (410) 332-0885

Ms. Cynthia T. 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 January 12, 2012. 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-E.

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  
Conceh 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 three (3) locomotive units GP 40-2 RMPX 9443, GP40-2 RMPX 9520 and GP40 MNAR 4044.

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, 11P-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, 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

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Notch Railway, I.I.C, and Wiregrass Central Railway, LLC, 7411 Fullerton Street  
Suite 300, Jacksonville, FL 32256, covering three (3) locomotive units GP 40-2 RMPX  
9443, GP40-2 RMPX 9520 and GP40 MNAR 4044.

Very Truly Yours,

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 12<sup>th</sup> day of January, 2012 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 three (3) locomotive units GP40-2 - RMPX 9443; GP40-2 - RMPX 9520 and GP40 MNAR 4044 for Fair Market Value and requests release of the security interest to accomplish sale of the three (3) 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:

Three Locomotives described as:

GP40-2 - RMPX 9443  
GP40-2 - RMPX 9520  
GP 40 - MNAR 4044

In witness whereof, Collateral Agent has caused this Release to be duly executed as of the date first written above

U.S. BANK NATIONAL ASSOCIATION  
As Trustee and Notes Collateral Agent

By: Donald T. Hurrelbrink  
Donald T. Hurrelbrink  
Vice President

State of Minnesota )  
County of Ramsey )

On this 12th day of January, 2012, before me Judy A. Galberth  
the undersigned Notary Public, personally appeared Donald T. Hurrelbrink who is personally known to me to be the person who executed the within instrument as Vice President on behalf of the corporation therein named, and acknowledged to me that the corporation, executed it.

Judy A. Galberth  
Notary Public for U.S. Bank National Association

My Commission expires Jan. 31, 2016

