RECORDATION NO 27990-G FILED
June 26, 2012 09:42 AM
SURFACE TRANSPORTATION BOARD

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

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June 26, 2012

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 efiling 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 June 22, 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-G.

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.

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 Delphos Terminal Company, Inc.
TransRail Holdings LLC

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Wellsboro & Corning Railroad, LLC
TransRail North America, LLC
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256

A description of the equipment covered by the Partial Release consists of two (2) GP38 locomotives marked and numbered PSAP 3802 and CORP 3823, and one (1) GP40 locomotive marked and numbered CORP 4023.

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, 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, TransRail Holdings LLC, Wellsboro & Corning Railroad, LLC, TransRail North America, LLC, 7411 Fullerton Street Suite 300, Jacksonville, FL 32256, covering two (2) GP38 locomotives marked and numbered PSAP 3802 and CORP 3823, and one (1) GP40 locomotive marked and numbered CORP 4023.

Very Truly Yours,

Melanie B. Yasbin

Enclosure

Release from Surface Transportation Board Filed Encumbrance

This Release from Surface Transportation Board Filed Encumbrance ("this "Release") is given this 22nd day of June, 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.

4. Third Amendment to Memorandum of Security Agreement dated June 12, 2012, bearing STB Recordation No. 27990-F.

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 GP38 – PSAP 3802; and GP38 – CORP 3823; and GP-40 CORP 4023 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:

GP38 - PSAP 3802
GP38 - CORP 3823
GP40 – CORP 4023

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 )
) ss.
County of Ramsey )

On this 22 day of June, 2011, 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 Minnesota

My Commission expires Jan. 31, 2016

JUDY A. GALBERTH
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2016