

LAW OFFICE  
**THOMAS F. MCFARLAND, P.C.**  
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CHICAGO, ILLINOIS 60604-1228  
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THOMAS F. MCFARLAND

November 7, 2016

RECORDATION NO. 32314-C FILED

NOV 14 2016 -10 :15 AM

SURFACE TRANSPORTATION BOARD

By UPS overnight mail

Ms. Cynthia T. Brown, Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20024

Re: Recordation No. 32314

Dear Ms. Brown:

I am hereby forwarding the original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Secondary Document. The Primary Document to which this Document is connected is a Loan and Security Agreement that was recorded under Recordation No. 32314.

The names and addresses of the parties to this Document are:

- (1) Lender-Secured Party - Mississippi Transportation Commission, 401 N. West Street, Jackson, MS 39201
- (2) Lendee - Grenada Railroad, LLC, 118 South Clinton, Suite 400, Chicago, IL 60661
- (3) Guarantor - Iowa Pacific Holdings, LLC, 118 South Clinton, Suite 400, Chicago, IL 60661

The equipment covered by this Document is railroad passenger equipment used and required for interstate rail transportation subject to the jurisdiction of the Surface Transportation Board. The specific railroad passenger equipment that constitutes collateral for the transaction is

THOMAS F. MCFARLAND

Ms. Cynthia T. Brown, Chief  
November 7, 2016  
Page 2

identified in Exhibit 1 attached to this letter. The listing in Exhibit 1 includes the identifying marks associated with each piece of equipment, and the common designations by which the equipment is known.

A filing fee of \$45 is enclosed for recording the documents.

The original of this Document containing the recording information should be returned to the undersigned as attorney for the Lender-Secured Party.

A short summary for the Index is:

A First Amendment to Loan and Security Agreement with Recordation No. 32314, dated and effective as of October 31, 2016, and covering certain railroad passenger equipment identified in Exhibit 1 attached to this letter.

Respectfully submitted,



Thomas F. McFarland  
*Attorney for Mississippi  
Transportation Commission*

TMcF:enc\1740\ltrSTB1

cc: Ms. Melinda L. McGrath, *by first-class, U.S. mail*  
Roy M. Tipton, Esq., *by first-class, U.S. mail*  
Mr. Ed Ellis, *by first-class, U.S. mail*

Iowa Pacific Holdings, LLC  
Rolling Stock Collateral for Mississippi Department of Transportation

Report Mark	Number	Name	Original RR	Type of car	Builder	Year Built	Value
SLRG	511	"Scenic View"	ATSF	Full Dome table	Budd	1954	5,430,000
SLRG	554	"Summit View"	ATSF	Full Dome	Budd	1954	1,800,000
SLRG	132	"Lock Haven Inn"	PRR	coach	Budd	Circa 1950	1,800,000
SLRG	133	"Chambersburg Inn"	PRR	coach	Budd	Circa 1950	80,000
SLRG	140	"Tyrone Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	450,000
SLRG	145	"Carnegie Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	146	"Bucyrus Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	149	"Steubenville Inn"	Pennsylvania Railroad	80 seat coach	Budd	1949	80,000
SLRG	5525	"Echo Canyon"	Union Pacific	44 seat coach	Budd	1961	80,000
SLRG	2912	LIRR Coach	Long Island	coach 100 seat	Budd	1955-6	80,000
SLRG	2915	LIRR Coach	Long Island Railroad	Comuter Coach	Pullman	1955	25,000
RPCX	2958	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
RPCX	2960	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
RPCX	2967	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
RPCX	2976	LIRR Coach	Long Island	coach 100 seat	Pullman	1955-6	25,000
SLRG	1100	EMD F10 Locomotive	GM&O	coach 100 seat	Pullman	1955-6	25,000
SLRG	455/245	EMD F40PH/Slug	Amtrak		EMD	1950	200,000
SLRG	459/257	EMD F40PH/Slug	Amtrak		EMD	Circa 1976-	275,000
					EMD	Circa 1976-	275,000

Ltr to C. Brown (STB)  
November 7, 2016  
Exhibit 1

NOV 14 2016 -10 :15 AM

SURFACE TRANSPORTATION BOARD

### FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

**THIS FIRST AMENDMENT TO THE LOAN AND SECURITY AGREEMENT** dated and effective as of October 31, 2016 [the "Amendment"] is entered into between and among: Grenada Railroad LLC, an Illinois limited liability company located at 118 S. Clinton Street, Suite 400, Chicago, Illinois 60661 [referred to herein as the "Borrower"]; Borrower's parent company, Iowa Pacific Holdings LLC, an Illinois limited liability company also located at 118 S. Clinton Street, Suite 400, Chicago, Illinois 60661 [referred to herein as the "Guarantor"]; and, the Mississippi Transportation Commission, a body corporate and politic of the State of Mississippi whose address is 401 N. West St, Jackson, Mississippi 39201 [referred to herein as "Commission"], by and through the Executive Director of its Department of Transportation ["MDOT"] [the Commission and MDOT are together referred to herein as the "State"]. The capitalized terms used herein and not otherwise defined, shall have the same meanings as assigned in the Loan and Security Agreement.

**WHEREAS** the Borrower into that certain Loan and Security Agreement dated as of ~~SEPTEMBER 7, 2016~~ (the "Loan Agreement") and the Guarantor signed a Corporate Guaranty pursuant to which the State extended financial assistance through the Railroad Revitalization Revolving Loan Fund to finance the Project referenced in that agreement therein with an estimated Project Cost of Seven Million Three Hundred Thousand Dollars (\$7,300,000.00) in the amount of Four Million Three Hundred Thousand Dollars (\$4,300,000.00) to the Borrower, with the Borrower agreeing to finance the balance of such Project Costs; and

**WHEREAS**, due to exigencies related to operational safety of the railroad and safety of the motoring public, certain repairs needed immediate attention; and

**WHEREAS**, the Borrower began advance construction to remedy those deficiencies with its own funds despite the fact that they were contemplated as part of "the Project"; and

**WHEREAS**, the State is in agreement to allow reimbursement of those expenses that are considered a part of "the Project" but advanced by the Borrower for safety reasons; and

**WHEREAS** pursuant to Section 12.4 of the Loan Agreement and the Promissory Note executed in support thereof the Borrower, Guarantor and State are authorized to amend Loan and Security Agreement; and

**WHEREAS** the State and the Borrower desire to amend and supplement the Loan and Security Agreement pursuant to Section 12.4; and

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Borrower, Guarantor, and State hereby agree as follows:

### 1. AMENDMENT TO LOAN AGREEMENT.

Subparagraph 2.2(g) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

(g) The Borrower shall submit to MDOT the actual charges, as evidenced by detailed monthly invoices including applicable supplier invoices, for costs incurred on behalf of the Project. Reimbursement by MDOT to the Borrower will be made in monthly progress payments of sixty percent (60%) of the total monthly invoice, less ten percent (10%) retainage. Segregable direct costs and expenses incurred on or after October 1, 2015, but prior to the notice to proceed, shall be reimbursed at sixty percent (60%) of the total monthly invoice, less no retainage. Upon final acceptance of all work, a final statement of costs shall be submitted to MDOT within ten (10) days. The final reimbursement payment to the Borrower, including the ten percent (10%) retainage, shall be made subject to final audit by MDOT.

### 2. EFFECTIVENESS OF AMENDMENT.

Upon the execution and delivery hereof, the Loan and Security Agreement shall thereupon be deemed to be amended as hereinabove set forth as fully and with the same effect as if the amendments made hereby were originally set forth in the Loan and Security Agreement, and this First Amendment and the Loan and Security Agreement shall henceforth respectively be read, taken and construed as one and the same instrument, but such amendments shall not operate so as to render invalid or improper any action heretofore taken under the Loan and Security Agreement.

### 3. GENERAL PROVISIONS.

**3.1 Miscellaneous.** This First Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

**3.2 Costs of Amendment.** All costs, charges and professional expenses of this Amendment shall be borne by the Borrower and payable in thirty (30) days.

**3.2 Pledge and Security Agreement in Effect.** Except as specifically provided for in this First Amendment, the Loan and Security Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Borrower and State have executed this First Amendment to Loan and Security Agreement as of the date first above written.

**BORROWER  
GRENADA RAILROAD LLC**

By: [Signature]  
Edwin E. Ellis, President

**GUARANTOR  
IOWA-PACIFIC HOLDINGS LLC**

By: [Signature]  
Edwin E. Ellis, President

**MISSISSIPPI TRANSPORTATION COMMISSION,**  
by and through the duly authorized Executive  
Director of the Mississippi Department of  
Transportation

By: [Signature]  
Melinda L. McGrath, P.E., Executive Director  
Mississippi Department of Transportation

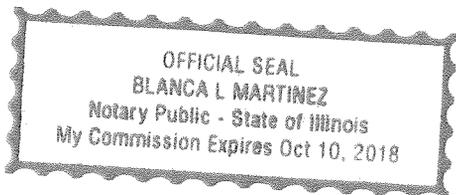
**STATE OF ILLINOIS  
COUNTY OF COOK:**

Personally appeared before me, the undersigned authority in and for the said county and state, on this 27<sup>th</sup> day of October, 2016, within my jurisdiction, the within named Edwin E. Ellis, who acknowledged that he is President of Grenada Railroad LLC of Chicago, Illinois, an Illinois limited liability company, and that for and on behalf of the said company, and as its act and deed he executed the above and foregoing Loan and Security Agreement, after first having been duly authorized by said company so to do.

(SEAL)

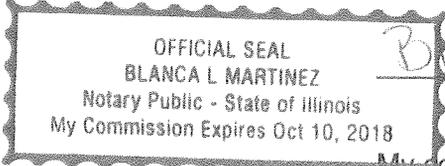
Blanca L Martinez  
NOTARY PUBLIC

My commission expires: Oct 10, 2018



STATE OF ILLINOIS  
COUNTY OF COOK:

Personally appeared before me, the undersigned authority in and for the said county and state, on this 27<sup>th</sup> day of October, 2016, within my jurisdiction, the within named Edwin E. Ellis, who acknowledged that he is President of Iowa-Pacific Holdings LLC of Chicago, Illinois, an Illinois limited liability company, and that for and on behalf of the said company, and as its act and deed he executed the above and foregoing Loan and Security Agreement, after first having been duly authorized by said company so to do.

(SEAL)  Blanca L. Martinez  
NOTARY PUBLIC  
My commission expires: Oct 10, 2018

STATE OF MISSISSIPPI  
COUNTY OF HINDS:

Personally appeared before me, the undersigned authority in and for the said county and state, on this 31<sup>st</sup> day of October, 2016, within my jurisdiction, the within named Melinda L. McGrath, who acknowledged that she is Executive Director of the Mississippi Department of Transportation, a body politic of the Mississippi Transportation Commission, a public body corporate and politic, and that for and on behalf of the said department and commission respectively, and as its act and deed she executed the above and foregoing Loan and Security Agreement, after first having been duly authorized by said company so to do.

(SEAL) Drew S McWhorter  
NOTARY PUBLIC  
My commission expires: Nov 8, 2019



EXCERPT FROM THE MINUTES OF THE MEETING OF THE  
MISSISSIPPI TRANSPORTATION COMMISSION, OCTOBER 25, 2016

Upon motion duly made with Commissioners Dick Hall, Mike Tagert and Tom King each voting yes, under the authority of the Commission, in conformity with and as spread on its minutes, the Executive Director is hereby authorized to execute an Amendment to the Loan and Security Agreement with the Grenada Railroad, LLC., along with any other necessary documents.

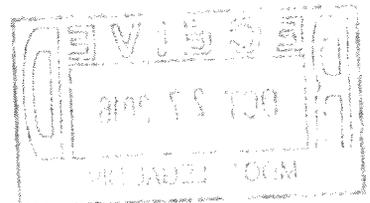
STATE OF MISSISSIPPI

COUNTY OF HINDS

I, Amy Hornback, Secretary, Mississippi Transportation Commission, do hereby certify that the above and foregoing is a true and correct copy of an Order of the Mississippi Transportation Commission of record in Minute Book 20, Page 299, of the Official Minutes of said Commission on file in its offices in the City of Jackson, Mississippi, duly adopted on the 25<sup>th</sup> day of October, 2016.

Witness my hand and official seal this the 26<sup>th</sup> day of Oct. A.D., 2016.

  
AMY K. HORNBACK, SECRETARY  
TRANSPORTATION COMMISSION  
STATE OF MISSISSIPPI



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