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RECORDATION NO. 32379 FILED

OCT 19 2016 - 2:00 PM

SURFACE TRANSPORTATION BOARD

October 18, 2016

**Federal Express**

Section of Administration  
Office of Proceedings  
Surface Transportation Board  
ATTN: Cynthia T. Brown  
395 E. Street, SW  
Washington, DC 20423

Re: Security Agreement

Dear Ms. Brown:

Enclosed for recordation, pursuant to 49 U.S.C. Section 11301, is a Memorandum of Security Agreement dated October 17, 2016, a primary document as defined in the Board's Rules for the Recordation of Documents.

The name and address of the parties to the enclosed documents are as follows:

Borrower: Shasta Sunset Corporation  
10100 North Ambassador Drive  
Kansas City, Missouri 64153

Lender: U.S. Bank National Association  
9900 W. 87th Street  
Overland Park, Kansas 66212

The description of the railroad equipment covered by the enclosed document is as follows:

Description	Road or Serial Number
Shasta Dinner Car	MR 2838
Siskiyou Dinner Car	MR 2819
Lassen Dinner Car	MR 2900
Trinity Dinner Car	MR 2801
Dance Car	MR 2901
Generator Car and Gift Shop	MR-11

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In addition, we are enclosing a check in the amount of \$45.00, made payable to the Surface Transportation Board, covering the required Recordation Fee. Once recorded, please return the file stamped document to my attention at the address listed below. For your convenience a self-addressed envelope has been enclosed.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Stinson Leonard Street LLP

A handwritten signature in black ink that reads "Scott P. Smalley". The signature is written in a cursive style with a large, looped "S" at the beginning.

Scott P. Smalley

Enclosure

OCT 19 2016 - 2:00 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM

DATED AS OF OCTOBER 17, 2016

OF

SECURITY AGREEMENT  
DATED AS OF OCTOBER 17, 2016

BETWEEN

SHASTA SUNSET CORPORATION  
("GRANTOR")

AND CERTAIN AFFILIATES OF GRANTOR

AND

AND U.S. BANK NATIONAL ASSOCIATION  
("LENDER")

WHEREAS, Midwest Pacific Rail Net & Logistics Co., Williams Equipment Leasing LLC, Williams Group, Inc., St. Maries River Railroad Company, BG & CM Railroad, Inc., SDR Holding Company, Dakota Southern Railway Company, Ozark Valley Railroad, Inc., Shasta Sunset Corporation, McCloud Railway Company, Fremont Northern Railroad, Inc., Washington & Idaho Railway, Inc., Boot Hill & Western Railway Holding Co., Inc., Railroad Materials Salvage, Inc., RMSI Transportation, L.L.C., Williams Steel Trading, LLC, MW Steel Holdings LLC (individually, a "Borrower" and collectively, the "Borrowers") and the Lender have entered into that certain Credit Agreement of even date herewith (as amended or modified and in effect from time to time, the "Credit Agreement"), which Credit Agreement provides, subject to the terms and conditions thereof, for extensions of credit and other financial accommodations to be made by the Lender to or for the benefit of the Borrowers;

WHEREAS, the obligations of Borrowers under the Credit Agreement are secured, in part, by certain collateral pursuant to the terms of that certain Security Agreement dated of even date herewith, executed by Borrowers in favor of Lender (as amended, modified, supplemented or restated from time to time, the "Security Agreement");

WHEREAS, the collateral described in the Security Agreement includes, without limitation, certain rolling stock owned by Grantor;

WHEREAS, it is a condition precedent to Lender's obligations under the Credit Agreement that a memorandum of the Security Agreement (this "Memorandum") set forth herein is to be filed and recorded with the Surface Transportation Board.

1. Definitions. Except as otherwise defined in this Memorandum, capitalized terms used herein have the meanings assigned to them in the Credit Agreement.

2. Security Interest. Subject to the terms, conditions, covenants and agreements set forth in the Credit Agreement and the Security Agreement and pursuant thereto, the Grantor assigned, mortgaged, pledged, hypothecated, transferred and set over to the Lender and granted to the Lender a first priority lien on and security interest in all of the Grantor's right, title and interest in and to the equipment more fully described on Schedule 1 hereto and agreed that such equipment shall constitute Collateral subject to the grant of security by the Grantor set forth in the Security Agreement.

3. Conflict. This Memorandum is not a summary of the Credit Agreement or the Security Agreement, nor a complete recitation of the terms and provisions thereof. The Grantor and the Lender agree that in the event of a conflict between this Memorandum and the provisions of the Credit Agreement or the Security Agreement, as the case may be, the provisions of the Credit Agreement or the Security Agreement, as the case may be, shall control.

4. Counterparts. This Memorandum may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Memorandum by signing any such counterpart.

[Signature page follows]



**GRANTOR:**

SHASTA SUNSET CORPORATION

By: Michael W. Williams Pres  
Michael W. Williams, President

STATE OF Missouri )  
COUNTY OF Jackson )SS.

On this 14th day of October, 2016, before me appeared Michael W. Williams, to me personally known, who being by me duly sworn, did say that he is the President of Shasta Sunset Corporation, a California corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and he acknowledged such instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above written.

Deonna M. Poole  
Notary Public

My Commission Expires:

DEONNA M. POOLE  
NOTARY PUBLIC-NOTARY SEAL  
STATE OF MISSOURI  
CLINTON COUNTY  
MY COMMISSION EXPIRES 6/11/2019  
COMMISSION # 15421395

Schedule 1

Description of Rolling Stock

<u>Description</u>	<u>Road or Serial Number</u>	<u>Owner</u>
Shasta Dinner Car	MR 2838	Shasta Sunset Corporation
Siskiyou Dinner Car	MR 2819	Shasta Sunset Corporation
Lassen Dinner Car	MR 2900	Shasta Sunset Corporation
Trinity Dinner Car	MR 2801	Shasta Sunset Corporation
Dance Car	MR 2901	Shasta Sunset Corporation
Generator Car and Gift Shop	MR-11	Shasta Sunset Corporation