

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1666
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THOMAS F. MCFARLAND

September 9, 2016

RECORDATION NO. 32314-A FILED

SEP 14 2016 -9 :46 AM

SURFACE TRANSPORTATION BOARD

By UPS overnight mail
(Monday delivery)

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

Dear Ms. Brown:

I am hereby enclosing duplicate originals of the documents identified below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The documents for recording are:

- (1) Loan and Security Agreement
- (2) ~~Promissory Note~~
- (3) Corporate Guaranty

Those documents are primary documents all of which are dated September 7, 2016, and all of which are part of a single loan transaction.

The names and addresses of all of the parties to the documents are as follows:

- (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 the transaction is railroad passenger equipment used and required for interstate rail transportation subject to the jurisdiction of the Surface Transportation

THOMAS E. MCFARLAND

Ms. Cynthia T. Brown, Chief
September 9, 2016
Page 2

Board. The specific railroad passenger equipment that constitutes collateral for the transaction is 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.

An original of the recorded documents should be returned to the undersigned as attorney for the Lender-Secured Party.

A short summary for the index is:

A Loan and Security Agreement and Promissory Note, evidencing a loan by Mississippi Transportation Commission, 401 N. West Street, Jackson, MS 39201, to Grenada Railroad, LLC, 118 S. Clinton Street, Chicago, IL 60661, guaranteed by Iowa Pacific Holdings, LLC, 118 S. Clinton Street, Chicago, IL 60661, dated September 7, 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:kl:enc:\1740\trSTB1

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*

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THOMAS F. MCFARLAND

September 12, 2016

By UPS overnight mail

Ms. Karen January
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Dear Ms. January:

Per telephone conversation today, hereby forwarded is a check for \$80 to cover the additional filing fee for the Promissory Note and Corporate Guaranty in conjunction with a Loan and Security Agreement sent to you for filing on September 12.

Respectfully submitted,

Tom McFarland

Thomas F. McFarland
*Attorney for Mississippi
Transportation Commission*

TMcF:mg:enc:\1740\trSTB2



Iowa Pacific Holdings, LLC

Rolling Stock Collateral for Mississippi Department of Transportation

Report Mark	Number	Name	Original RR	Type of car	Builder	Year Built	Orderly Liquidation 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	Pullman	1955-6	25,000
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	EMD	1950	200,000
SLRG	455/245	EMD F40PH/Slug	Amtrak		EMD	Circa 1976-80	275,000
SLRG	459/257	EMD F40PH/Slug	Amtrak		EMD	Circa 1976-80	275,000

Ltr to C. Brown (STB)
 September 9, 2016
 Exhibit 1

SEP 14 2016 -9 :46 AM

PROMISSORY NOTE

\$4,300,000.00

SURFACE TRANSPORTATION BOARD

JACKSON, MISSISSIPPI

SEPTEMBER
AUGUST 7, 2016

FOR VALUE RECEIVED, Grenada Railroad LLC, an Illinois limited liability company and a wholly-owned subsidiary of Iowa Pacific Holdings LLC ["Maker"], promises to pay to the order of Mississippi Transportation Commission, a body corporate and politic of the State of Mississippi ["Commission"] at its offices at 401 N. West St, Jackson, Mississippi 39201, or at such other place as the holder of this Note may designate in writing to Maker, on or before the Term Loan Maturity Date of August 15, 2023, the principal sum of Four Million Three Hundred Thousand and no/100 Dollars (\$4,300,000.00) or, if less, the aggregate amount of the Promissory Loan advanced and unpaid pursuant to that certain Loan and Security Agreement dated as of August ~~August~~ ^{SEPTEMBER} 7, 2016, made by and between Maker and Commission, which may be further amended from time to time [the "Loan Agreement"], the terms of which are incorporated by reference and made a part of this Note as though fully set out herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement. The amount advanced and outstanding under the Loan Agreement as shown on the books and records of the Commission's Department of Transportation shall be considered correct and conclusively binding on Maker absent manifest error.

Maker further promises to pay such interest on the Term Loan as provided in the Loan Agreement. All payments received from Maker hereunder shall be applied by Commission in accordance with the terms of the Loan Agreement.

This Note and any renewals and extensions hereof, and any other Obligations of the undersigned to Holder hereof [the term "Holder" shall include Commission and any subsequent holder hereof] due or to become due, now existing or hereafter contracted, and howsoever acquired by Holder, are secured in the manner described in the Loan Agreement.

This Note is issued under the Loan Agreement and Holder is entitled to all of the benefits provided for by the Loan Agreement or referred to therein. Prepayments may be made hereon only at the times, in the events and in the manner provided in the Loan Agreement.

All unpaid amounts owing on this Note or on any other Obligations immediately shall become due and payable at the option of Holder, without notice or demand, upon the occurrence of any Event of Default.

In an Event of Default related to the payment of any sums due under this Note, Maker hereby agrees that Commission may offset all money, bank or other deposits or credits now or hereafter held by Commission or owed by Commission to Maker against all amounts due under this Note or against any other amounts which may be due Commission from Maker.

No clause or provision contained in this Note or any documents related hereto shall be construed or shall so operate (a) to raise the interest rate set forth in this Note above the lawful maximum, if any, in effect from time to time in the applicable jurisdiction for loans to borrowers of the type, in the amount, for the purposes, and otherwise of the kind contemplated, or (b) to require the payment or the doing of any act contrary to law, but if any clause or provision

In the office of the Mississippi Department of Transportation
this the 9th day of Sept 2016

Amy K. Horrbach, Secretary



contained herein shall otherwise so operate to invalidate this Note, in whole or in part, then (i) such clauses or provisions shall be deemed modified to the extent necessary to be in compliance with the law, or (ii) to the extent not possible, shall be deemed void as though not contained and the remainder of this Note and such document shall remain operative and in full force and effect.

All makers and any endorsers, guarantors, sureties, accommodation parties and all other persons liable or to become liable for all or any part of this indebtedness, jointly and severally waive diligence, presentment, protest and demand, and also notice of protest, of demand, of nonpayment, of dishonor and of maturity and also recourse or suretyship defenses generally; and they also jointly and severally hereby consent to any and all renewals, extensions or modifications of the terms of this Note, including time for payment, and further agree that any such renewals, extension or modification of the terms of this Note or the release or substitution of any security for the indebtedness under this Note or any other indulgences shall not affect the liability of any of the parties for the indebtedness evidenced by this Note. Any such renewals, extensions or modifications may be made without notice to any of said parties, provided that Grenada Railroad LLC agrees in writing to any such renewals, extensions, or modifications.

Maker shall be liable to Holder for all reasonable costs and expenses incurred in connection with collection, whether by suit or otherwise, of any amount due under this Note, including, without limitation, attorneys' fees, as more fully set forth in the Loan Agreement.

This Note shall be governed by and construed in accordance with the laws of the State of Mississippi.

SO EXECUTED THIS 9TH DAY OF SEPTEMBER, 2016.

IOWA-PACIFIC RAILROAD, INC.
GRENADA RAILROAD, LLC

By: 
Edwin E. Ellis, President

SO EXECUTED THIS 7 DAY OF Sept., 2016.

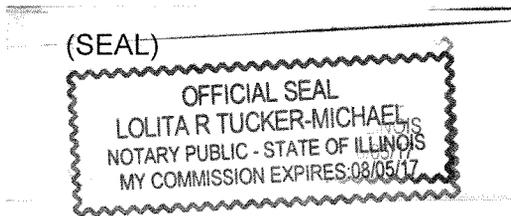
MISSISSIPPI TRANSPORTATION COMMISSION,
by and through the duly authorized Executive
Director of the Mississippi Department of
Transportation

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

Bo 20 Ng 242

**STATE OF ILLINOIS
COUNTY OF COOK:**

Personally appeared before me, the undersigned authority in and for the said county and state, on this 7TH day of SEPTEMBER, 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 Promissory Note, after first having been duly authorized by said company so to do.



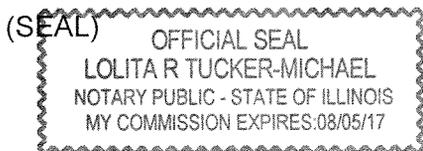


NOTARY PUBLIC

My commission expires: 8-5-17

**STATE OF ILLINOIS
COUNTY OF COOK:**

Personally appeared before me, the undersigned authority in and for the said county and state, on this 7TH day of SEPTEMBER, 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 Promissory Note, after first having been duly authorized by said company so to do.





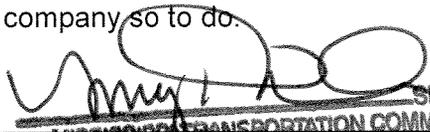
NOTARY PUBLIC

My commission expires: 8-5-17

**STATE OF MISSISSIPPI
COUNTY OF HINDS:**

Personally appeared before me, the undersigned authority in and for the said county and state, on this 10 day of Sept., 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 Promissory Note, after first having been duly authorized by said company so to do.

(SEAL)



SECRETARY
MISSISSIPPI TRANSPORTATION COMMISSION
NOTARY PUBLIC

My commission expires: _____