

ALVORD AND ALVORD PLLC
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

RECORDATION NO. 32225-A FILED
September 7, 2016 9:00 AM
SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)
ROBERT W. ALVORD (2011)

PHONE: (202) 393-2266
FAX: 1-855-600-2836
E-MAIL: alvord@alvordlaw.com
WEBSITE: www.alvordlaw.com

September 7, 2016

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Notice of Lease Termination, dated as of August 30, 2016, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a complete termination and relates to the Full Service Railcar Equipment Lease with Riders previously filed with the Board under Recordation Number 32225.

The name and address of the party to the enclosed document are:

Lessor:	CB Investment II, LLC 6600 College Boulevard, Suite 125 Overland Park, Kansas 66211
Lessee:	Rail Logistics, LC 6600 College Boulevard, Suite 125 Overland Park, Kansas 66211

Chief, Section of Administration
September 7, 2016
Page 2

A description of the railroad equipment covered by the enclosed document is:

The lease of all railroad equipment covered by the Full Service Railcar Equipment Lease with Riders filed under Rec. No. 32225 is hereby TERMINATED.

A short summary of the document to appear in the index is:

Notice of Lease Termination.

Also enclosed is a check in the amount of \$45.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink that reads "Edward M. Luria". The signature is written in a cursive style with a large initial "E".

Edward M. Luria

EML/bhs
Enclosures

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (hereinafter referred to as the "Agreement") is made effective as of the 3rd day of May, 2016, by and between Edward J. Nazar, as receiver for Rail Logistics, L.C. and Rail Logistics/Cold Train, LC f/k/a Cold Train, LC (hereinafter referred to as "Rail"); and Iowa Pacific Holdings, LLC, an Illinois limited liability company, and/or Permian Basin Railways, LLC (hereinafter referred to as "Permian").

RECITALS

- A. WHEREAS, on September 19, 2014, Great Western Bank commenced an action against Rail, Case No. 14-CV-5981, in the District Court, Johnson County, Kansas (the "Court"), and on November 20, 2014, filed an amended petition to add defendants Michael Lerner, individually and as trustee, and the Michael Lerner Revocable Trust U/T/A dated October 20, 2007 as guarantors of the Bank Loans (the "Bank Action"); and
- B. WHEREAS, the Court presiding over the Bank Action entered an order appointing Edward J. Nazar as the receiver (the "Receiver") for Rail under applicable state law; and
- C. WHEREAS, this Agreement is intended to resolve all rights and claims the Receiver may have against Permian, including but not limited to certain leases (the "Leases") more particularly described as follows but includes all cars in Permian's possession pursuant to any lease with Rail, as amended, supplemented or modified, and whether included in the Leases or not:
- Master Car Leasing Agreement and Service Contract #11-N1265 entered into between Rail Logistics, LC, as Lessor and Iowa Pacific Holdings, LLC as Lessee dated February 20, 2012;
 - Rider 1 to Railcar Equipment Lease 11-1265 R.1 between Rail Logistics, LC as Lessor and Iowa Pacific Holdings, LLC as Lessee dated February 20, 2012, pertaining to 57 mechanical refrigerated cars more particularly described on Schedule A attached thereto;
 - Rider 2 to Railcar Equipment Lease 11-1265 R.2 between Rail Logistics, LC as Lessor and Iowa Pacific Holdings, LLC as Lessee dated August 28, 2012, pertaining to 56 mechanical refrigerated cars (NRDX) more particularly described on Schedule A attached thereto; and
 - Rider 3 to Railcar Equipment Lease 11-1265 R.3 between Rail Logistics, LC as Lessor and Iowa Pacific Holdings, LLC as Lessee dated August 28, 2012, pertaining to 56 mechanical refrigerated cars (IPFX) more particularly described on Schedule A attached thereto.

(the "Receiver Lease Claims") and all rights and claims Permian may have against Rail and the Receiver, including but not limited to any claims arising

Clerk of the District Court, Johnson County Kansas
WA 1990408.1
05/12/16 06:37am JC

Fuhubit A

under or related to the lawsuit styled *Iowa Pacific Holdings, LLC v. Rail Logistics, L.C.*, Case No. 2015L010937 in the Circuit Court of Cook County, Illinois (the "Permian Claims"). The Receiver and Permian have determined it is in the best interest for the Receiver and Permian to settle the Receiver Lease Claims and the Permian Claims, as set forth herein; and

- D. WHEREAS, Receiver shall file a Motion with the Court seeking approval of this Agreement and the settlement contemplated herein (the "Settlement Order"), which shall include the sale and transfer of all right, title and interest in and to the Leases, all amounts owed as lease payments or otherwise regarding the Leases, and all rail cars subject to the Leases (the "Transferred Property").

WITNESSETH:

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

I. SALE AND PURCHASE.

- 1.1. Agreement to Sell and Purchase. Upon obtaining the Settlement Order as set forth herein, the Receiver shall sell, transfer, assign and deliver to Permian the Transferred Property. The Transferred Property shall be sold "AS IS/WHERE IS" and free and clear of all liens, claims and interests.

II. PURCHASE PRICE.

- 2.1. The purchase price ("Purchase Price") payable by Permian to the Receiver for the Transferred Property described herein shall be equal to the sum of [REDACTED] paid to the Receiver in good funds (certified check, cashier's check or wire) within five (5) business days from the entry of the Settlement Order, and which shall be held by the Receiver, with any and all liens, claims and interests in the Transferred Property to attach to the sale proceeds subject to further Order of the Court. Payment of the Purchase Price shall be contingent on approval by the board members of Iowa Pacific Holdings, LLC, during its next board meeting, which is expected to occur on May 31, 2016. However, Permian and Rail shall enter into an agreed order to have the Permian Claims dismissed without prejudice within 3 business days of this Agreement being signed by Permian and Rail and consented to in writing by Great Western Bank, and LPF II, LLC.

III. COURT APPROVAL.

- 3.1. Settlement Order. Permian's obligation to pay the Purchase Price is contingent upon Court approval over this Agreement in the form of a signed Court Order (the "Court Order"). The Court Order must approve said sale of the Transferred Property, and must state that the Transferred Property is being sold free and clear of all liens, claims and interests, and must authorize the Receiver to enter into this

Agreement. Proper notice of this proposed settlement and sale, and any hearing required by the Court, shall be served by the Receiver on all parties in interest.

3.2. Consent. Parties in interest Great Western Bank and LPF II, LLC consent to this Agreement.

IV. RELEASE.

4.1. Mutual Release. The Receiver, for and on behalf of Rail, and Permian, hereby mutually remise, release and forever discharge each other, and their heirs, successors and assigns, of and from any and all claims and causes of action, including but not limited to the Receiver Lease Claims and the Permian Claims. This release shall be a part of the Settlement Order. The release shall include any creditor with any claim against Permian.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed this 3rd day of May, 2016.

PERMIAN:

Iowa Pacific Holdings, LLC,
an Illinois limited liability company
and/or Permian Basin Railways, LLC

By: _____

Edwin E. Ellis
President of Iowa Pacific Holdings, LLC and
President of Permian Basin Railways, LLC

RAIL:

By: _____

Edward J. Nazar, as receiver for
Rail Logistics, L.C. and
Rail Logistics/Cold Train, LC f/k/a Cold Train, LC
Consented to by:

Great Western Bank

By: _____

Name:

Great Western Bank

By: _____
Name: Gerald Ruyon
Title: Senior Vice President

LPF II, LLC

By: _____
Name: _____
Title: _____

This release shall be a part of the Settlement Order. The release shall include any creditor with any claim against Permian.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed this 3rd day of May, 2016.

PERMIAN:

Iowa Pacific Holdings, LLC,
an Illinois limited liability company
and/or Permian Basin Railways, LLC

By:

Edwin E. Ellis
President of Iowa Pacific Holdings, LLC and
President of Permian Basin Railways, LLC

RAIL:

By:

Edward J. Nazar, as receiver for
Rail Logistics, L.C. and
Rail Logistics/Cold Train, LC f/k/a Cold Train, LC
Consented to by:

Great Western Bank

By:

Name:

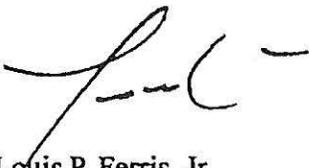
Title:

LPF II, LLC

By:

Name: Louis P. Ferris, Jr.

Title: Member



Clerk of the District Court, Johnson County Kansas
05/12/16 06:37am JC

EXTENSION AGREEMENT

This Extension Agreement ("Agreement") is made effective as of August 22, 2016, by and between Edward J. Nazar as Receiver for Rail Logistics, L.C. and Rail Logistics/Cold Train, LC fka Cold Train, LC ("Receiver"), hereinafter collectively referred to as "Rail," and Iowa Pacific Holdings, LLC, an Illinois limited liability company and/or Permian Basin Railways, Inc., hereinafter referred to as "Permian."

WHEREAS, Rail and Permian entered into a Settlement Agreement made effective as of May 3, 2016 ("Settlement Agreement"), wherein various claims that Permian may have against Rail and that Rail may have against Permian, all as more fully set forth in the Settlement Agreement, were settled; and

WHEREAS, the Agreed Order on Motion to Approve Settlement Agreement ("Agreed Order") was entered on August 15, 2016; and

WHEREAS, material to the Settlement Agreement was the payment of [REDACTED] ("Purchase Price") from Permian to Rail to occur within five (5) business days of August 15, 2016, or August 22, 2016; and

WHEREAS, Permian could not comply with the terms of the Settlement Agreement requiring payment within five (5) business days of August 15, 2016, or August 22, 2016; and

WHEREAS, Permian did not close the transaction and pay to Receiver the Purchase Price in immediate collectable funds (certified check, cashier's check or wire) within five (5) business days from the entry of the Agreed Order; and

WHEREAS, Permian has requested until August 31, 2016, to close the transaction; and

WHEREAS, Receiver is agreeable to granting an extension under the terms and conditions set forth herein, conditional upon approval of Rail's secured creditors, Great Western Bank and LPF II, LLC; and

WHEREAS, Permian has further requested authority to assign all of its right, title and interest under the Settlement Agreement to Ralco, LLC, an Illinois limited liability company.

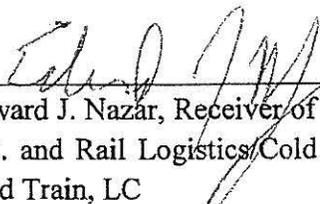
NOW THEREFORE the parties agree as follows:

1. The above Recitals are incorporated herein by reference and are made a part hereof as if contained herein.
2. Time is of the essence of this Agreement.

3. Rail acknowledges that Permian is not in default under the Settlement Agreement so long as the Purchase Price is received in immediate collectable funds (certified check, cashier's check or wire) at the closing date to occur no later than August 31, 2016.
4. This Agreement shall be approved as to form by Great Western Bank and LPF II, LLC and/or Louis P. Ferris, Jr., which approval is set forth below.
5. Receiver consents to the assignment of the Settlement Agreement to Ralco, LLC for payment of the Purchase Price provided that Permian is not released or discharged from all terms and obligations required under the Settlement Agreement, including, but not limited to all releases, waivers and settlements contained therein, all obligations for monetary performance and all obligations for dismissal and settlement of an action styled *Iowa Pacific Holdings, LLC v. Rail Logistics, LC*, Case No. 2015 L 010937 in the Circuit Court of Cook County, Illinois.
6. The Agreed Order and this Agreement constitute suitable authority in lieu of a Bill of Sale for Rail to convey, transfer and assign to Permian and/or Ralco, LLC all of Rail's right, title and interest in and to the equipment described in the Settlement Agreement and Agreed Order, copies of which are attached hereto.

IN WITNESS WHEREOF, the parties have entered into this Agreement effective August 22, 2016.

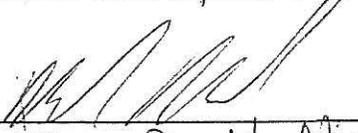
"RAIL"



Edward J. Nazar, Receiver of Rail Logistics,
L.C. and Rail Logistics/Cold Train, LC fka
Cold Train, LC

"PERMIAN"

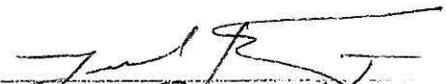
IOWA PACTIFIC HOLDINGS, LLC

By: 

Printed Name: David Michonvel
Title: General Counsel

CONSENTED TO:

GREAT WESTERN BANK

By: 
Printed Name: G. W. Raper
Title: SUR SBS GM

LPF II, LLC

By: 
Printed Name: Louis P. Ferris, Jr.
Title: Chairman CEO

and/or



Louis P. Ferris, Jr.

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS;

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Edward J. Nazar, as receiver for Rail Logistics, L.C. and Rail Logistics/Cold Train, LC f/k/a Cold Train L.C, (Seller), does hereby sell, transfer and assign to RALCO, LLC, an Illinois Limited Liability Company (Buyer), all of Seller's rights, title and interest in and to the equipment described in the Settlement Agreement duly executed on May 3, 2016, and as approved by the Johnson County, Kansas, District Court ("Court") in an Agreed Order On Motion To Approve Settlement Agreement dated August 15, 2016 (**Exhibit 1**).

All mechanical refrigerated railcars identified on the attached Exhibit 1, the sale of which has been approved by the Court.

TO HAVE AND TO HOLD the said equipment unto Buyer, its successors and assigns forever.

IN WITNESS WHEREOF Seller has caused these presents to be executed by its duly authorized representative on this 31st day of August, 2016.

"SELLER"



Edward J. Nazar, Receiver for Rail Logistics, L.C.
and Rail Logistics/Cold Train, LC
fka Cold Train L.C.

IN THE TENTH JUDICIAL DISTRICT
DISTRICT COURT, JOHNSON COUNTY, KANSAS

GREAT WESTERN BANK,)	
)	
Plaintiff,)	Case No. 14 CV 5981
)	
v.)	Division 7
)	
RAIL LOGISTICS, L.C., and)	
RAIL LOGISTICS/COLD TRAIN, LC)	
f/k/a COLD TRAIN, LC,)	
)	
Defendants.)	

AGREED ORDER
ON MOTION TO APPROVE SETTLEMENT AGREEMENT

Upon the Motion to Approve Settlement Agreement (the "Motion") having been presented to this Court, and after due consideration, hearing thereon and agreement of the parties, including but not limited to CB Investments II, LLC and CB Investments IV, LLC (collectively, "CB") which were the only objecting parties, the Court finds as follows:

1. In order to resolve the objection of CB to the proposed settlement, upon payment of the Purchase Price (as defined in the Settlement Agreement) by Permian, the Receiver shall, and is directed to promptly pay CB \$350,000.00 (the "CB Payment"), Great Western Bank \$725,000.00 (plus an additional \$400,000.00 from the settlement proceeds) (the "GWB Payment") and LPF II, LLC \$225,000.00 (the "LPF Payment") by wire transfer or Electronic Funds Transfer. The parties agree funds in the operating account of approximately \$1,475,000.00 shall be utilized to pay the requested outstanding administrative expenses ("Requested Outstanding Administrative Expenses") which are currently set for hearing on August 16, 2016. Any remaining funds in the operating account, after payment of the Requested Outstanding Administrative Expenses, shall be held for future anticipated expenses in the wind up and

termination of the receivership. In the event any funds remain ("Remaining Funds") after payment of all administrative expenses incurred, the Remaining Funds shall be paid to LPF II, LLC under subsequent Orders of the Court.

2. For the avoidance of doubt, upon payment of the Purchase Price, and receipt by CB of the CB Payment, the Receiver, Great Western Bank, LPF II, LLC, and CB shall transfer all right, title, and interest in and to the Transferred Property (as defined in the Settlement Agreement) to Permian and/or its designee or assignee free and clear of all liens, claims, and interests.

3. Upon payment of the Purchase Price, the Receiver, for and on behalf of Rail, Great Western Bank, LPF II, LLC, CB, and Permian, hereby mutually remise, release, and forever discharge each other, and their heirs, successors, and assigns, of and from any and all claims and causes of action, related to any claimed interest in and to the Transferred Property, including but not limited to the Receiver Lease Claims and the Permian Claims as described in the Settlement Agreement.

4. Additionally, upon payment of the Purchase Price and the CB, GWB and LPF Payments, Great Western Bank, LPF II, LLC, CB and Permian, hereby remise, release and forever discharge the Receiver, his successors and assigns, of and from any and all claims and causes of action, any of the aforementioned entities may have asserted or claimed against the Receiver, whether previously asserted or unasserted, known or unknown relating to the Motion, the negotiation of sale of the Transferred Property, the collection and distribution of rents collected by the Receivership or the general administration of the Receivership Estate; provided, however, this release is not intended to, and does not include secured creditors LPF and GWB's claims to the remaining assets of the receivership, including but not limited to the remaining

proceeds from the Purchase Price or claims against the Defendants. Any claims to the remaining assets of the receivership shall be net of or subject to the allowed expenses of the receivership that may be subsequently incurred.

5. The Motion and proposed settlement were properly served on all parties-in-interest, and all parties entitled to notice of the same. With the exception of CB, there were no objections filed to the proposed settlement.

IT IS, THEREFORE, ORDERED AS FOLLOWS:

1. The Receiver is authorized to enter into, and to consummate the Settlement Agreement.

2. The Transferred Property is sold free and clear of all liens, claims and interests.

3. Pursuant to the Agreed Order on Motion to Approve Settlement Agreement, and upon the entry thereof by the Court, Permian shall, within five (5) business days, pay to the Receiver [REDACTED] in good funds (certified check, cashier's check or wire).

4. Notwithstanding anything herein to the contrary, and limited to the consummation of the Settlement Agreement and performance by the parties as set forth therein, as to the Defendants, including but not limited to Michael Lerner individually, Michael Lerner Revocable Trust U/T/A Dated October 20, 2007, as amended, and Michael Lerner, as Trustee, if there is a ruling by the Court as to priority of security interests between Great Western Bank and LPF II, LLC, then any credit for the aggregate amount of the sales proceeds distributed to Great Western Bank and LPF II, LLC pursuant to this Order shall follow any such ruling, assuming LPF II, LLC obtains a judgment as a part of such ruling. If no ruling is made, the Defendants preserve all rights regarding how any credit should be given and/or allocated.

IT IS SO ORDERED.

/s/ DAVID W HAUBER
Dated: 08/15/16

Dated: August __, 2016

District Court Judge – Division 7

ff

WA 8163983

AGREED TO BY:

/s/ Mark A. Shaiken

Mark A. Shaiken KS # 11011
Nicholas J. Zluticky KS # 23935
Stinson Leonard Street LLP
1201 Walnut, Suite 2900
Kansas City, MO 64106
Telephone: (816) 842-8600
Facsimile: (816) 691-3495
Mark.shaiken@stinsonleonard.com
Nicholas.zluticky@stinsonleonard.com

ATTORNEYS FOR GREAT WESTERN BANK

/s/ Edward J. Nazar

Edward J. Nazar #09845
Hinkle Law Firm, LLC
301 North Main, Suite 2000
Wichita, KS 67202-4820
Telephone: (316) 267-2000
Facsimile: (316) 264-1518
enazar@hinklaw.com

ATTORNEY FOR RECEIVER

/s/ Nathan Orr

Nathan A. Orr KS #20183
norr@spencerfane.com
Patrick J. McAndrews KS #24721
pmcandrews@spencerfane.com
Scott J. Goldstein KS Fed. #70505
sgoldstein@spencerfane.com
Spencer Fane LLP
1000 Walnut Street, Suite 1400
Kansas City, Missouri 64106-2140
(816) 474-8100 (telephone)
(816) 474-3216 (facsimile)

ATTORNEYS FOR LPF II, LLC AND
LOUIS P. FERRIS, JR.

/s/ Kenneth C. Jones

Kenneth C. Jones KS # 10907

Scott A. Wissel KS # 18589

Lewis Rice LLC

10484 Marty Street

Overland Park, KS 66212

Telephone: (913) 648-6333

Facsimile: (913) 642-8742

kcjones@lewisricekc.com

sawissel@lewisricekc.com

ATTORNEYS FOR CB INVESTMENTS II, LLC
AND CB INVESTMENTS IV, LLC

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: September 7, 2016

Edward M Luria

Edward M. Luria