

ALVORD AND ALVORD PLLC

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

May 21, 2015

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 Memorandum of Security Agreement, dated as of May 21, 2015, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Secured Party: PNC Bank, National Association
Three PNC Plaza
255 Fifth Avenue, Fourth Floor
Pittsburgh, PA 15222

[Grantor: LHAGS, Inc.
429 Logan Ave SE
Warren, OH 44483]

Chief, Section of Administration
May 21, 2015
Page 2

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

28 locomotives: CLNA 6528, LTEX 1546, LTEX 2503, LTEX 2506, LTEX 2519, LTEX 2527, LTEX 2563, LTEX 2566, LTEX 2578, LTEX 2580, LTEX 2588, LTEX 4014, LTEX 5374, LTEX 5384, LTEX 9912, SLNA 95, TANX 243, TANX 287, TANX 319, TANX 372, TANX 400, TANX 411, UP 2964, UP 3280, UP 8955, VRE 34, VRE 35 and VRE 36.

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

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$43.00 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,



Edward M. Luria

EML/sem
Enclosures

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

This Memorandum of Loan and Security Agreement is entered into as of May 21, 2015 by and among LHAGS, Inc., an Ohio corporation, L.T.E. RAIL SERVICES INC., an Ohio corporation, (hereinafter collectively "Borrower"), and PNC EQUIPMENT FINANCE, LLC, a Delaware limited liability company (hereinafter "Lender") respecting that certain Loan and Security Agreement dated as of July 10, 2012.

The Borrower and Lender hereby affirm and acknowledge that pursuant to the Security Agreement, Lender has agreed to make certain financial accommodations to Borrower and Borrower has agreed to grant to Lender a security interest in all of the locomotives, hereinafter identified in Schedule A hereto and Borrower hereby grants, assigns and pledges to Lender a security interest in all of Borrower's right, title and interest in and to any current or future leases relating to such locomotives and any and all proceeds thereunder including without limitation any rent or insurance proceeds, whether now existing or hereinafter arising.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum of Loan and Security Agreement to be executed by a duly authorized officer as of the day and year first written above.

PNC EQUIPMENT FINANCE, LLC-
Lender

By:  _____

Name: Cheree F. Kurela

Title: Vice President

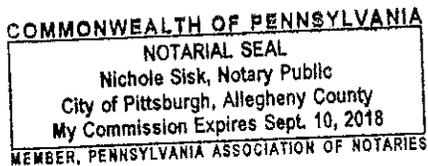
State of Pennsylvania

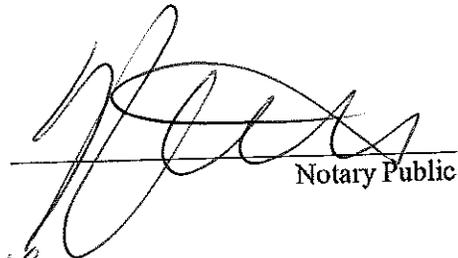
}
} SS.
}

County of Allegheny

On this ___ day of ___, 2015, before me appeared Cheree F. Kurela, to me personally known who being duly sworn stated that she is the Vice President PNC Equipment Finance, LLC, that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]





Notary Public

My commission expires:

September 10, 2018

LHAGS, Inc.-
Borrower

By: [Signature]

Name: George Bakoris

Title: President

State of OHIO }
County of TXUMHILL } SS.

On this 21st day of MAY, 2015, before me appeared GEORGE BAKORIS, to me personally known who being duly sworn stated that he/she is the LESSEE LHAGS, Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

[Signature]
Notary Public

My commission expires: May 16 2017

LHAGS, Inc.-
Borrower

By: Sam L Bakeris
Name: Spiras L Bakeris
Title: V President

State of OHIO }
County of TREMBULL } SS.

On this 21 day of MAY, 2015, before me appeared SPIRAS L BAKERIS, to me personally known who being duly sworn stated that he/she is the VICE PRESIDENT LHAGS, Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

Cathy Rudy
Notary Public

My commission expires: May 16 2017

L.T.E. RAIL SERVICES INC.-
Borrower

By: _____

Name: _____

Title: _____

State of OHIO _____ }
}

SS.

County of TOWNSEND _____ }
}

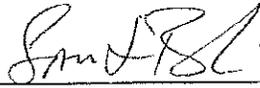
On this 21 day of MAY, 2015, before me appeared GEORGE BAKORIS, to me personally known who being duly sworn stated that he/she is the MANAGER L.T.E. Rail Services Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

Cathy Ruddy
Notary Public

My commission expires: May 16 2017

L.T.E. RAIL SERVICES INC.-
Borrower

By: 

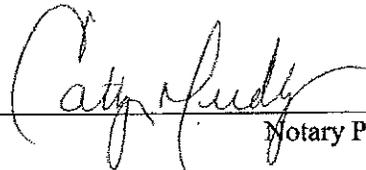
Name: Spiros L BAKKERIS

Title: U President

State of OHIO }
County of FRANKLIN } SS.

On this 21 day of MAY, 2015, before me appeared JOHN MATTHEW, to me personally known who being duly sworn stated that he/she is the VICE PRESIDENT L.T.E. Rail Services Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]


Notary Public

My commission expires: May 16 2017

EXHIBIT A – LOCOMOTIVE LIST

<u>MODEL</u>	<u>SERIAL NUMBER</u>
E-9A	LTEX 9912
60 TON	LTEX 4014
MP-15DC	LTEX 1546
SD 40-2	UP 2964
SD 40-2	UP 3280
SD 40-2	UP 8955
GP 40	SLNA 95
GP 40	CLNA 6528
SD 40-2	LTEX 5384
SD 40-2	LTEX 5374
F40 P2	TANX 243
F40 P2	VRE 35
F40 P2	VRE 36
F40 P2	TANX 287
F40 P2	TANX 411
F40 P2	TANX 319
F40 P2	VRE 34
F40 P2	TANX 372
F40 P2	TANX 400
GP 35 U	LTEX 2503
GP 35 U	LTEX 2506
GP 35 U	LTEX 2519
GP 35 U	LTEX 2527
GP 35 U	LTEX 2563
GP 35 U	LTEX 2566
GP 35 U	LTEX 2578
GP 35 U	LTEX 2580
GP 35 U	LTEX 2588

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: May 21, 2015

Edward M Luria

Edward M. Luria