



LexisNexis
Document Solutions

RECORDATION NO. 24295 FILED

JAN 17 '03

2:29 PM

SURFACE TRANSPORTATION BOARD

RECEIVED
JAN 17 2003
MAIL
MANAGEMENT
STB

January 16, 2003

Barbara Sadler
Surface Transportation Board
Recordation Office
1925 K Street, N.W., Suite 70
Washington D.C. 20423

Dear Barbara,

Enclosed is one (1) original and one (1) copy of the **Memorandum of Railcar Lease** dated as of November 27, 2002 between the following parties:

Names and address of the following parties:

Lessor: **GREAT LAKES BANK, N.A.**
13057 S. Western Avenue, Blue Island, IL 60406

Lessee: **MOBILE LOCOMOTIVE SERVICES, INC.**
1020 Washington Street, Chicago Heights, IL 60411

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

Memorandum of Railcar Lease between Lessor: **GREAT LAKES BANK, N.A.** and Lessee: **MOBILE LOCOMOTIVE SERVICES, INC.**, covering 4 railcars with reporting marks and numbers — LLX 1453, LLX1011, GP-10, LLX151, INCLUSIVE

Please file this memorandum as a **PRIMARY** document and return one (1) stamped copy to my attention. A check covering the filing fee of thirty dollars (\$30.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20100.

Thank you for your prompt assistance.

Sincerely,


Sherry Lewey
Research/Development Coordinator

Enclosure

RECORDATION NO. 24295 FILED

JAN 17 '03

2-29 PM

MEMORANDUM OF LOAN AND SECURITY AGREEMENT SURFACE TRANSPORTATION BOARD

This Memorandum of Loan and Security Agreement dated as of November 27th, 2002, is By and between GREAT LAKES BANK, N.A., ("Lender"), 13057 S. Western Avenue, Blue Island, IL 60406, MOBILE LOCOMOTIVE SERVICES, INC. ("Borrower"), 1020 Washington Street, Chicago Heights, IL 60411, and B.K FORGEY, III and ROBERT BISCAN ("Guarantors").

1. The Lender has made a loan to the Borrower pursuant to a Loan and Security Agreement, dated as of November 27, 2002.

2. Pursuant to the Loan and Security Agreement Borrower grants to the Lender a first Lien on and security interest in all of Borrower's right, title and interest in and to Unit #'s LLX1453, LLX1011, GP-10 and LLX151 pursuant to Section I of the Loan and Security Agreement. In connection with the Loan and Security Agreement, Guarantors guarantee the due payment and performance of all the obligations of the Borrower to the Lender.

This document may be signed in any number of counterparts, each of which shall be an Original and all of which shall be a part of this Memorandum of Loan and Security Agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, each of the parties hereto have caused this MEMORANDUM OF LOAN AND SECURITY AGREEMENT to be executed by its duly authorized officer or Have executed this MEMORANDUM OF LOAN AND SECURITY AGREEMENT, as of the Dated first above written.

GREAT LAKES BANK, N.A.
As Lender

By: Cheri Vana
Name: Cheri Vana
Title: Assistant Vice President

MOBILE LOCOMOTIVE SERVICES, INC.
As Borrower

By: B.K. Forgey III Robert G. Biscan
Name: B.K. Forgey III
Title: President

B. K. FORGEY, III
As Guarantor

By: B.K. Forgey III

ROBERT BISCAN
As Guarantor

By: Robert G. Biscan

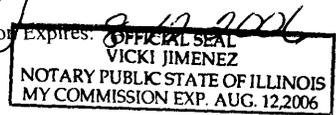
State of Illinois

County of Cook

On this 27th day of November, 2002, before me personally appeared Cheri Vana to me personally known, who, being by me duly sworn, says that (s)he acknowledged that the execution of on the behalf of Great Lakes Bank, N.A.,

Vicki Jimenez
Notary Public

My commission Expires:



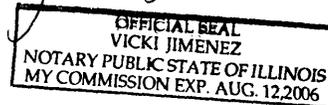
State of Illinois

County of Cook

On this 27th day of November, 2002, before me personally appeared B.K. Forgey, III and Robert Biscan to me personally known, who, being by me duly sworn, says that (s)he is president and vice president, respectfully, of Mobile Locomotive Services, Inc. and that (s)he is duly authorized to sign the foregoing instrument on behalf of Mobile Locomotive Services, Inc. and (s)he acknowledged that the execution of the foregoing instrument was the Free act and deed of Mobile Locomotive Services, Inc.

Vicki Jimenez
Notary Public

My commission expires:



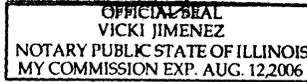
State of Illinois

County of Cook

On this 27th day of November, 2002, before me personally appeared B. K. Forgey, III, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Vicki Jimenez
Notary Public

My commission expires: 8-12-2006



State of Illinois
County of Cook

On this 27th day of November, 2002, before me personally appeared Robert Biscan, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Vicki Jimenez
Notary Public

My commission expires: 8-12-2006



Recordation Requested by:
Great Lakes Bank
2034 Ridge Road
Homewood, IL 60430

When recorded Mail to:
Great Lakes Bank
Credit Administration
11346 S. Cicero
Alsip, IL 60803

RAIL LOCOMOTIVE SECURITY AGREEMENT

This Agreement is effective as of the 27th of November, 2002, between MOBILE LOCOMOTIVE SERVICES, INC., an Illinois Corporation, ("Debtor") whose address is set forth below and GREAT LAKES BANK, ("Bank"), whose address is 2034 Ridge Road, Homewood, Illinois 60430.

1. GRANT OF SECURITY INTEREST: COLLATERAL

To secure the Obligations described in Paragraph 2, Debtor hereby grants to Bank a security interest in the following personal property ("Collateral"):

- (a) **One** SW1200 Switcher 1200 HP 125 ton, 12 cylinder 567BC engine, 10KW Aux. Gen., 26L Brake Equipment, D77 T.M. AAR Truck Assembly, D15CMg Serial # E-6007-A-1, Unit number LLX 1453.

One SW1200, M.G. D-15, Aux Gen. 10KW, A/C WXO High, 6BL Brakes, Roller bearing trucks, Switch Gear pneumatic, T.M. D27-D47, Serial # E-890-3 Unit # LLX-1011.

One EMD GP-9, HP1750, 125 ton, Clasp Truck Assys, 40" wheels, Roller bearing wheel journals, WXO A/C, 26NL air brakes Serial #IC-8130, unit number GP-10.

One SW1200, EMD Switcher, H.P 1200 , 125 ton, 12 cylinder, 567 C Engine, 10KW Aux. Gen 26NL Brake Equipment, D77 T.T., AAR Truck Assembly serial #4414.2, Unit number LLX151.
- (b) all proceeds of the foregoing, including all proceeds if any insurance covering same and any and all proceeds or payments resulting from any lease or other chattel paper relating to the foregoing, now existing or hereafter arising.

2. OBLIGATIONS

The obligations secured by this Agreement ("Obligations") are the following:

- (a) the indebtedness of Debtor to Bank evidenced by a Note executed by Debtor, dated November 27, 2002, in the principal amount of Ninety Six Thousand Forty Nine Dollars and 09/100** (\$96,049.09), (the "Note") and any and all modifications, extensions, renewals or refinancing thereof,
- (b) the indebtedness of Debtor to Bank evidenced by a Note executed by Debtor, dated November 27, 2002, in the principal amount of Forty Thousand Five Hundred Sixty Dollars and 00/100** (\$40,560.00), (the "Note") and any and all modifications, extensions, renewals or refinancing thereof, the indebtedness.

- (c) the indebtedness of Debtor to Bank evidenced by a Note executed by Debtor, dated November 27, 2002, in the principal amount of Ninety Three Thousand Dollars and NO/100** (\$93,000.00), (the "Note") and any and all modifications, extensions, renewals or refinancing thereof,
- (d) the indebtedness of Debtor to Bank evidenced by a Note executed by Debtor, dated November 27, 2002, in the principal amount of Fifty One Thousand Four Hundred Twenty Five Dollars and 42/100**(\$51,425.42), (the "Note") and any and all modifications, extensions, renewals or refinancing thereof,
- (e) the indebtedness of Debtor to Bank evidenced by a Note executed by Debtor, dated November 27, 2002, in the principal amount of Thirty Thousand Three Hundred twenty Six Dollars and 86/100** (\$30,326.86), (the "Note") and any and all modifications, extensions, renewals or refinancing thereof,
- (f) and all sums advanced by Bank in order to preserve the Collateral or to perfect its security interest in the Collateral.
- (g) In the event of any proceeding to enforce the collection of the Obligations, or any of them, after default, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral upon any exercise by Bank of its rights in the event of default, together with reasonable attorneys' fees and court costs;
- (h) Any other indebtedness or liability of Debtor to Bank, whether direct or indirect, joint or several, absolute or contingent, now or hereafter existing however created or arising and however evidenced.

3. REPRESENTATIONS, WARRANTIES AND PROMISES

Debtor further represents, warrants and agrees:

- (a) The Debtor is the owner of the Collateral and grants the security interest herein in consideration of the Bank's loan, the proceeds of which Debtor hereby acknowledge receipt;
- (b) Except for the security interest granted hereby, the collateral is free from any lien, security interest, encumbrance or other right, or interest of any other person, firm or corporation;
- (c) Debtor will not hereafter grant a security interest in the Collateral or sell the Collateral to any other party without payment of the Obligations prior to or concurrently with the closing date of any such sale;
- (d) Debtor will at all times defend the Collateral against any and all claims of any person adverse to the claims of the Bank;
- (e) Debtor has full power and authority to enter into this Agreement;
- (f) Debtor shall keep the collateral insured against loss or damage by fire with extended coverage), theft, physical damage, and against such other risks, including without limitation public liability, in such amounts, in such companies and upon such terms as Bank may reasonable require. Debtor will obtain loss payable endorsements on applicable insurance policies in favor of Debtor and Bank as their interest may appear and will deposit an insurance rider or certificate with Bank evidencing such insurance coverage. Debtor shall cause each insurer to agree, by endorsement upon the policy or policies or certificates of insurance issued by it or by independent instrument furnished to the Bank, that such insurer will give thirty (30) days written notice to Bank before such policy will be altered or canceled. The proceeds of any insurance from loss, theft, or damage to the collateral shall be held, disbursed and applied as the Bank May see fit, either in reduction of the Obligations or applied toward the repair, restoration or replacement of the collateral. Debtor irrevocably appoints the Bank as Debtor's attorney

in fact to make any claims for, to negotiate settlement of claims, to receive payment for and execute and endorse any documents, checks, or other instruments in payment of or loss, theft, or damage under any insurance policy.

- (g) Debtor, at its own cost and expense, shall keep the collateral in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep it in good mechanical condition and working order. Debtor will use the collateral in conformity with all applicable laws and will pay all taxes and assessments on it or its use when due.
- (h) In case of failure by Debtor to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to the collateral or to keep it in good repair, condition and working order, all as hereinbefore specified, the Bank shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes or place and keep the collateral in good repair, condition and working order, as the case may be, and, in that event, the cost thereof shall be payable by Debtor to the Bank immediately upon demand together with interest at the rate equivalent to the interest rate stated in the promissory note identified in paragraph 2 (a) herein from the date of the disbursement by the Bank to the date of payment by Debtor.

4. POSSESSION, LOCATION AND INSPECTION OF COLLATERAL

Until default, Debtor may retain possession of the collateral and use it in any lawful manner not inconsistent with the provisions of this agreement or with the terms and conditions of any policy of insurance covering the collateral. Debtor will permit Bank to inspect the collateral and to examine Debtor's records pertaining to the collateral at any reasonable time.

5. EVENTS OF DEFAULT

Debtor shall be in default under this Agreement upon the occurrence of any one or more of the following events or conditions:

- (a) non-payment of any of the Obligations when due, whether by acceleration or otherwise, and failure to cure such non-payment during any cure period described in the Note;
- (b) the occurrence of an event of Default under the terms of any related loan documentation including any guarantee of even date herewith between the parties hereto;
- (c) non-performance of any promise made in this Agreement by the Debtor;
- (d) material breach of any warranty made by Debtor in the Agreement;
- (e) any material misrepresentation made by Debtor in the Agreement or in any document furnished by Debtor, or on Debtor's behalf, to Bank in connection with this Agreement or the Collateral;
- (f) the creation of any encumbrance upon the Collateral or the making of any levy, judicial seizure or attachment thereof to thereon;
- (g) any uninsured material loss, theft, damage to, or destruction of the Collateral;
- (h) insolvency of Debtor and/or Guarantor;
- (i) use of the collateral in violation of any statute or ordinance;
- (j) the appointment of a receiver for any part of the property of Debtor and/or Guarantor, the making by Debtor an assignment for the benefit of creditors, or the initiation by or against Debtor of any proceeding under the Federal Bankruptcy Code, as amended, or any state insolvency law.

6. RIGHTS OF PARTIES UPON DEFAULT

IN THE EVENT OF A DEFAULT BY Debtor, in addition to all of the rights and remedies provided in Article 9 of the Illinois Uniform Commercial Code and any other applicable law, including the Interstate Commerce Act, Bank may (but is under no obligation to Debtor to do so):

- (a) take immediate possession of the Collateral or render it unusable, sell, lease or otherwise dispose of the Collateral in whole or in part, at public or private sale, on or off the premises of Debtor;
- (b) require Debtor to assemble the Collateral to which Debtor has or is entitled to possession at a place designated by Bank, which is reasonably convenient to both parties.

7. NOTICE

All notices shall be provided to the Parties as further set forth in the Commercial Security Agreement of even date by and between the Parties and if to the debtor at 1020 Washington, Chicago Heights, IL and if to the Bank at 11346 S. Cicero, Alsip, IL 60803, ATTN: Commercial Loan Department.

8. WAIVOR

Waivor by Bank of any Event of Default hereunder, or any breach of the provisions of the Agreement by Debtor, or any right of Bank hereunder, shall not constitute a waiver of any other event of Default or breach or right, nor the same Event of Default or breach or right on a future occasion.

9. LAW GOVERNING

This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the law of the State of Illinois applicable to agreements made and to be wholly performed in such State, except wherein the Interstate Commerce Act may preempt such law in which case said Act shall control.

10. DURATION

This Agreement shall remain in full effect from the date first above-mentioned until all of the Obligations have been fully satisfied.

11. ASSIGNS

This Agreement and all rights and liabilities hereunder and in and to any and all Collateral shall inure to the benefit of the Bank and its successors and assigns, and shall be binding on the debtor and Debtor's successors and assigns.

12. INCORPORATION

The terms and conditions further set forth in the related loan documentation by and between the Parties to include the aforesaid Commercial Security Agreement of even date are incorporated herein by reference.

Debtor acknowledges that this Agreement is and shall be effective upon execution by the Debtor and delivery to and acceptance hereof by the Bank, and it shall not be necessary for the Bank to execute any acceptance hereof or otherwise to signify or express its acceptance hereto to Debtor.

MOBILE LOCOMOTIVE SERVICES, INC.

BY: B.K. Forgy

BY: Robert G. Biscar
Vicki Jimenez

OFFICIAL SEAL
VICKI JIMENEZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. AUG. 12, 2006

I, B. K. Forgy, III ^{Robert G. Biscar} certify that I am President / Vice President of MOBILE LOCOMOTIVE SERVICES, INC. that the instrument was signed on behalf of the Corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Corporation. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on this 27th day of November, 2002.

Vicki Jimenez
OFFICIAL SEAL
VICKI JIMENEZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. AUG. 12, 2006

GREAT LAKES BANK

BY: Cheri Vana
Cheri Vana, Assistant Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 27th day of November, 2002 before me personally appeared, to me personally known, who being by me duly sworn, said that (s)he is the _____ of Great Lakes Bank of Blue Island, that said instrument was signed on behalf of said Corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Vicki Jimenez
Notary Public

OFFICIAL SEAL
VICKI JIMENEZ
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. AUG. 12, 2006