

RECORDATION NO. 23258C FILED

LAW OFFICES

AUG 12 '03

2-44 PM

NEAL, GERBER & EISENBERG LLP

TWO NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602-3801
(312) 269-8000
www.ngelaw.com

SURFACE TRANSPORTATION BOARD

BONNIE E. HEACOCK
PARALEGAL
(312) 269-5258

FAX: (312) 269-1747
BHEACOCK@NGELAW.COM

August 8, 2003

VIA FEDERAL EXPRESS

Secretary
Surface Transportation Board
Room 704
1925 K Street, N.W.
Washington, DC 20423-0001



Re: Relco Locomotives, Inc.

Dear Secretary:

Pursuant to Section 11301 of Title 49 of the U.S. Code, enclosed for recording is one original and one counterpart copy of the document described below.

The document is a supplement to a mortgage and security agreement, a secondary document and is dated March 18, 2003. The primary document to which this is connected is Recordation Number 23258.

The names and addresses of the parties are:

Mortgagor: MB Financial Bank, N.A.
(f/k/a Manufacturers Bank)
1200 North Ashland Avenue
Chicago, IL 60622

Mortgagee: Relco Locomotives, Inc.
113 Industrial Avenue
Minooka, IL 60447

A description of the equipment covered by the document appears on Exhibit A, attached hereto and made a part hereof.

A fee of \$30.00 payable to Secretary, Surface Transportation Board is enclosed. After recordation, please return the original to:

NEAL, GERBER & EISENBERG LLP

Secretary
Surface Transportation Board
August 8, 2003
Page 2

Bonnie E. Heacock, Paralegal
Neal, Gerber & Eisenberg LLP
Two North LaSalle Street, Suite 2400
Chicago, IL 60602

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

Supplement No. 3 to Mortgage and Security Agreement between Relco Locomotives, Inc. 113 Industrial Avenue, Minooka, IL 60447 and MB Financial Bank, N.A., 1200 North Ashland Avenue, Chicago, IL 60622 dated March 18, 2003 and adding rolling stock and additional locomotives to the Mortgage and Security Agreement recorded at Recordation Number 23258, Supplement No. 1 to Mortgage and Security Agreement recorded at Recordation Number 23258-A and Supplement No. 2 to Mortgage and Security Agreement recorded at Recordation Number 23258-B.

Very truly yours,



Bonnie E. Heacock
Paralegal

Enclosure

cc: Bernard T. Bartilad – MB Financial Bank N.A. (w/enc.)
Peter H. Barrow (w/enc.)

NGEDOCs:014640.0004:756216.3

RECORDATION NO. 23258-C FILED

AUG 12 '03

2-44 PM

SUPPLEMENT NO. 3
to
MORTGAGE AND SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS SUPPLEMENT NO. 3 to MORTGAGE AND SECURITY AGREEMENT dated as of March 18, 2003 (the "Supplement"), is by and between **RELCO LOCOMOTIVES, INC.**, an Illinois corporation (the "Debtor"), whose address is 113 Industrial Avenue, Minooka, Illinois 60447 and **MB FINANCIAL BANK, N.A.**, formerly known as Manufacturers Bank (the "Secured Party"), whose address is 1200 North Ashland Avenue, Chicago, Illinois 60622.

RECITALS:

A. Secured Party and Debtor are parties to a Mortgage and Security Agreement dated as of December 8, 2000, (the "Mortgage and Security Agreement") as supplemented by Supplement No. 1 thereto dated as of July 15, 2002 ("Supplement No. 1") and Supplement No. 2 thereto dated as of October 8, 2002 ("Supplement No. 2") pursuant to which Debtor has granted to Secured Party a lien and mortgage in certain locomotives and leases as described in the Exhibits and Schedules thereto.

B. The Mortgage and Security Agreement was recorded with the Surface Transportation Board, Washington, D.C. (the "STB") on December 18, 2000 and was assigned recordation number 23258.

C. Supplement No. 1 was recorded with the STB on October 18, 2002 and was assigned recordation number 23258-A.

D. Supplement No. 2 was recorded under the STB on October 31, 2002 and was assigned recordation number 23258-B.

E. Secured Party and Debtor desire to amend the Mortgage and Security Agreement as hereinafter set forth and to supplement Exhibit B and Schedule B to the Mortgage and Security Agreement in order to subject additional property to the lien and mortgage created by thereby, as contemplated by Sections 1.2 and 5.1 thereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Secured Party and Debtor hereby agree as follows:

1. Definitions. Capitalized terms contained in this Supplement shall have the respective meanings herein as such terms have in the Mortgage and Security Agreement.

2. Amendment to Mortgage and Security Agreement. Section 1 of the Mortgage and Security Agreement is hereby restated as follows:

SECTION 1 GRANT OF SECURITY.

The Debtor in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment and performance of (a) the principal of and interest on

the Notes according to their tenor and effect, (b) the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions in the Notes, this Security Agreement, Credit Agreement and in the Loan Documents, (c) any and all other promissory notes, lines of credit, credit agreements, guarantees, hedging agreements, indemnity agreements or any other instrument, document or agreement now existing or hereafter delivered by Debtor to Secured Party, whether or not similar to the foregoing, which evidences any indebtedness, liability or obligation of Debtor to Secured Party (collectively, the "Secured Obligations"), does hereby convey, warrant, mortgage, assign, pledge and grant the Secured Party, its successors and assigns, a security interest in all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1, 1.2 and 1.3 hereof and all proceeds thereof (all of which properties and proceeds hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

3. Further Amendment to Mortgage and Security Agreement. Section 1.4 of the Mortgage and Security Agreement is hereby restated as follows:

1.4 Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the Secured Obligations and shall observe, keep and perform all the terms and conditions, covenants and agreements herein, in the Notes, the Credit Agreement, the Loan Documents and all other instruments, documents and agreements evidencing the Secured Obligations, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void, otherwise this Security Agreement shall remain in full force and effect.

4. Supplement to Exhibit B and Schedule B. Exhibit B and Schedule B to the Mortgage and Security Agreement are hereby supplemented to include the Leases described in Exhibit A attached hereto, and such Leases, along with the Leases described on Exhibit B and Schedule B to the Mortgage and Security Agreement, shall constitute "Leases" under, and for purposes of, the Mortgage and Security Agreement.

5. Confirmation of Mortgage and Security Agreement. Except as amended and modified by this Supplement, all terms and provisions of the Mortgage and Security Agreement, and all exhibits and schedules thereto, shall remain in full force and effect.

6. Representations and Warranties; Events of Default. After giving effect to this Supplement (a) the representations and warranties set forth in the Mortgage and Security Agreement are true and correct on, and as of, the date hereof and (b) no Event of Default has occurred and is continuing.

7. Successors and Assigns. Reference to any party hereto shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in the Mortgage and Security Agreement, as supplemented by this Supplement, made by Debtor or Secured Party shall inure to the benefit of the respective successors and assigns of such parties.

8. Partial Invalidity. The unenforceability or invalidity of any provision of this Supplement shall not render any other provision herein unenforceable or invalid.

9. Release. The Secured Party shall release this Supplement and the lien and mortgage created hereby by proper instrument upon payment in full of all indebtedness secured hereby.

10. Governing Law. This Supplement shall be construed in accordance with, and governed by, the internal laws of the State of Illinois; provided, however, that Secured Party shall be entitled to all the rights conferred by any applicable Federal statute, rule or regulation.

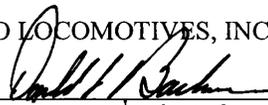
11. Counterparts. This Supplement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Supplement. Each of Debtor and Secured Party acknowledge receipt of a true, correct and complete counterpart of this Supplement.

12. Costs and Expenses. Debtor agrees to pay Secured Party, upon demand, for all expenses, including reasonable attorneys' and legal assistants' fees incurred by Secured Party in connection with the preparation, negotiation, execution and recordation of this Supplement and any document required to be furnished herewith.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

RELCO LOCOMOTIVES, INC.

By: 
Its: Chairman & C.E.O.

MB FINANCIAL BANK, N.A., formerly known as Manufacturers Bank

By: Bernard T. Bartolod
Its: VICE PRESIDENT

EXHIBIT A
to
Supplement No. 3
to
Mortgage and Security Agreement

A. Locomotive Lease Agreement dated as of December 19, 2002 between Debtor, as lessor, and PSC Metals, Inc., an Ohio corporation, as lessee, as amended, modified, supplemented or restated from time to time.

B. Locomotive Lease Agreement dated as of August 2, 2002 between Debtor, as lessor, and KTN Gulfcoast, a Texas corporation, as lessee, as amended, modified, supplemented or restated from time to time.

State of Illinois)
) SS
County of Cook)

I, Donald L. Bachman, certify that I am C.E.O

of Relco Locomotives, Inc., that the foregoing instrument was signed and sealed on behalf of the 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 18th day of March, 2003.

Joellyn VanDuyne

Donald L. Bachman



State of Illinois)
) SS
County of Cook)

I, Bernard T. Bartilad, certify that I am Vice President
of MB Financial Bank, N.A., formerly known as Manufacturers Bank, that the foregoing
instrument was signed and sealed on behalf of the 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 18th day of March, 2003.

Bernard T. Bartilad

NGEDOCs:014640.0004:827851.1



Patricia M. Dushane
3-26-07