

APR 17 '06 10:40 AM

SURFACE TRANSPORTATION BOARD: (312) 252-1500
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FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
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Chicago, Illinois 60606-2832

April 14, 2006

JAMES D. HELENHOUSE
(312) 252-1501
jhelenhouse@fletcher-sippel.com

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006
Attn: Office of Recordations



Dear Secretary Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of a Memorandum of Loan and Security Agreement, dated as of March 31, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents, and an original and two copies the following secondary document related thereto: Assignment of Rents and Lessor's Interest in Leases, also dated as of March 31, 2006.

The names and addresses of the parties to the enclosed documents are:

Primary: Memorandum of Loan and Security Agreement

Debtor: Titan Transit, Inc.
26 South Madison Street, Box 237
Oswego, Illinois 60453

Secured Party: Fifth Third Bank
233 South Wacker Drive, Suite 410
Chicago, Illinois 60606

Secondary: Assignment of Rents and Lessor's Interest in Leases

Assignor: Titan Transit, Inc.
26 South Madison Street, Box 237
Oswego, Illinois 60453

Assignee: Fifth Third Bank
233 South Wacker Drive, Suite 410
Chicago, Illinois 60606

FLETCHER & SIPPEL LLC

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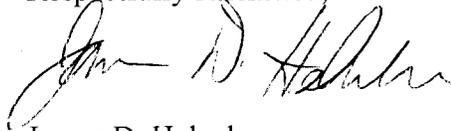
A description of the railroad equipment is attached to each of the documents and includes 14 EMD F40-PH-2 locomotives with the reporting numbers 294, 241, 311, 315, 400, V31, V33, 411, 372, 287, 243, 319, and 463.

Included in the property covered by the aforesaid Loan and Security Agreement are locomotives intended for use related to interstate commerce, or interest therein owned by Titan Transit, Inc. at the date of said Loan and Security Agreement or **thereafter acquired** by it or its successors as owners of the property covered by the Loan and Security Agreement.

Also enclosed is a check in the amount of \$66.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Respectfully submitted,



James D. Helenhouse
Attorney for Debtor/Assignor

Enclosures

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**MEMORANDUM OF
LOAN AND SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LOAN AND SECURITY AGREEMENT (the "Memorandum") dated as of March 31, 2006, is made by and between Fifth Third Bank (Chicago), a Michigan banking corporation, 233 South Wacker Drive, Suite 410, Chicago, Illinois 60606, (the "Bank"), and Titan Transit, Inc., a Delaware corporation, with its chief executive office and principal place of business at 26 South Madison Street, Box 237, Oswego, Illinois 60543 (the "Borrower").

Borrower and the Bank hereby state the following:

1. Borrower and the Bank are parties to that certain Loan and Security Agreement dated as of March 31, 2006 (the "Loan Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given in the Loan Agreement), whereby the Bank loaned Borrower certain funds to facilitate the purchase or financing of the locomotives more specifically identified on Exhibit A attached hereto and made a part hereof and any Locomotives acquired by Borrower subsequent to March 31, 2006 (the "Locomotives").
2. Borrower's obligations under the Loan Agreement and other loan documents are evidenced by and payable in accordance with the Loan Agreement.
3. Pursuant to the terms of the Loan Agreement and to secure the payment and performance of any and all of Borrower's obligations to the Bank, Borrower granted to the Bank a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the Locomotives, to have and to hold all and every part of the Locomotives unto the Bank, its successors and assigns, for its and their own use and benefit forever.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

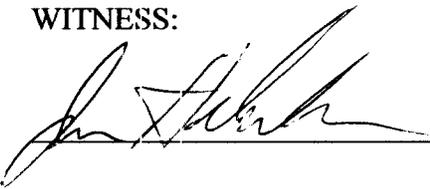


TITAN TRANSIT, INC., a Delaware Corporation

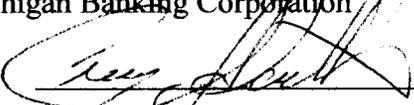
By: 

Title: President

WITNESS:



FIFTH THIRD BANK (CHICAGO), a Michigan Banking Corporation

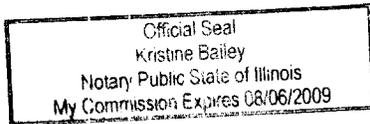
By: 

Title: Vice President

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 31st day of March, 2006, before me, a Notary Public of the County and State aforesaid, personally appeared Eric C. Bachman to me personally known, who being by me duly sworn, says that he is the President of Titan Transit, Inc., an Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Kristine Bailey
Notary Public

My Commission Expires:
August 6, 2009

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 14th day of APRIL, 2004, before me, a Notary Public of the County and State aforesaid, personally appeared CRAIG SCHUTH, to me personally known, who being by me duly sworn, says that (s)he is the VICE PRESIDENT of Fifth Third Bank (Chicago), a Michigan banking corporation, that said instrument was signed on behalf of Fifth Third Bank 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.

AS WITNESS my hand and notarial seal.



Nancy A. Allen
Notary Public

My Commission Expires:
03/12/2008

EXHIBIT A
LIST OF LOCOMOTIVES

<u>Model Description</u>	<u>Road Numbers</u>
EMD F40-PH-2	294
EMD F40-PH-2	241
EMD F40-PH-2	311
EMD F40-PH-2	315
EMD F40-PH-2	400
EMD F40-PH-2	V31
EMD F40-PH-2	V32
EMD F40-PH-2	V33
EMD F40-PH-2	411
EMD F40-PH-2	372
EMD F40-PH-2	287
EMD F40-PH-2	243
EMD F40-PH-2	319
EMD F40-PH-2	463