

RMF
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RECORDATION NO. 26379 FILED

JUN 06 '06 2-46 PM

SURFACE TRANSPORTATION BOARD

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June 2, 2006

Mr. Vernon Williams, Secretary
Surface Transportation Board
Washington, D.C. 20423

RE: Coe Rail Inc.

Dear Mr. Williams:

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 June 2, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Secured Party: The CIT Group/Commercial Services, Inc.
1211 Avenue of the Americas
New York, NY 10036

Borrower: Coe Rail Inc
840 North Pontiac Trail
Walled Lake, MI 48390

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

Locomotive ABRX 702, Locomotive ABRX 703, Locomotive ABRX 700, Locomotive ABRX 701, Locomotive ABRX 1000, Locomotive ABRX 1200, New Haven Car ABRX 9607, Table Car ABRX 9606, Table Car ABRX 9604, Table Car ABRX 9605, Kitchen Car ABRX 9603, Lounge Car ABRX 9602, Lounge Car 9601, Power Car ABRX 9600, Dinner Train ABRX 99, Coach ABRX 504, Coach ABRX 502, Coach ABRX 501, Road Tap Car ABRX 500, Excursion Car ABRX 503, Excursion Caboose ABRX 98, CRLE Table Car ABRX 9500, CRLE Kitchen Car ABRX 9501, CRLE Table ABRX 9502, Business Car ABRX 100, Open Car ABRX 200, Ballast Hopper ABRX 8656, Ballast Hopper ABRX 8560, Hi- Rail Truck, 1984 Plasser Track Tamper Model #1484, Case 580K Backhoe, Mechanical parts, relay railroad ties, Storage Car.

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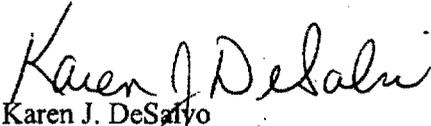
A short summary of the document to appear in the index is:

Memorandum of Security Agreement

Also enclosed is a check in the amount of \$33.00 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.

Sincerely,



Karen J. DeSalvo
For the Firm

KJD/jcv
Enclosures

MEMORANDUM OF SECURITY AGREEMENT JUN 06 2-46 PM

SURFACE TRANSPORTATION BOARD

This Memorandum of Security Agreement (this "Memorandum") is executed as of this 2nd day of June, 2006, by and between Coe Rail Inc, a Michigan corporation (the "Borrower"), and The CIT Group/Commercial Services, Inc. (the "Secured Party").

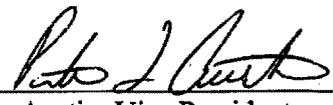
The Borrower and the Secured Party have entered into a Financing Agreement dated as of June 2, 2006 (as from time to time amended, modified or supplemented, the "Security Agreement") by which the Borrower has granted a security interest to the Secured Party for the ratable benefit of the Secured Parties (as defined in the Security Agreement) in all assets of the Borrower, including without limitation, certain railroad equipment described on and bearing reporting marks and road numbers as provided on Exhibit A (the "Railcars"), whether now owned or hereafter arising or acquired.

The purpose of this Memorandum is to give record notice of the existence of the security interest of the Secured Party in the Railcars, and all terms and conditions of the Financing Agreement are incorporated by reference herein.

This Memorandum is prepared only for the public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. 11301(a).

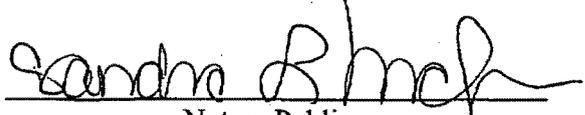
IN WITNESS WHEREOF, the undersigned has caused this Memorandum to be executed by a duly authorized officer as of the day and year first above written.

COE RAIL INC.
By: 
Bobby Allen Brown II a/k/a
B. Allen Brown II, President

THE CIT GROUP/COMMERCIAL SERVICES, INC.
By: 
Peter Austin, Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

On the 2nd day of June, in the year 2006, before me personally came Bobby Allen Brown II a/k/a B. Allen Brown II, to me known, who, being by me duly sworn, did depose and say that he resides in Dunlap, Illinois, that he is the President of Railmark Holdings, Incorporated, the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

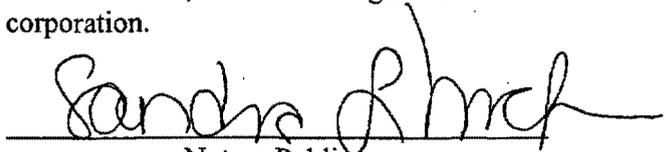


Notary Public

SANDRA L. McGrath
NOTARY PUBLIC, State of New York
No. 01MC4922887
Qualified in Nassau County
Commission Expires 5/19/2010

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

On the 2nd day of June, in the year 2006, before me personally came Peter Austin, to me known, who, being by me duly sworn, did depose and say that he resides in New York County, that he is the Vice President of The CIT Group/Commercial Services, Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.



Notary Public

SANDRA L. McGRATH
NOTARY PUBLIC, State of New York
No. 01MC4922887
Qualified in Nassau County
Commission Expires 5/19/2010

EXHIBIT "A"

RAILROAD EQUIPMENT

ABRX #

**PRESENT
CRLE #**

Locomotives - Passenger

Locomotive - EMD F-Unit #725 (Michigan Star Clipper)	ABRX 702	CRLE 725
Locomotive - EMD F-Unit #416 (Michigan Star Clipper)	ABRX 703	CRLE 416
Locomotive - EMD F-Unit #1304 (2 nd Dinner Train)	ABRX 700	CRLE 1304
Locomotive - EMD F-Unit #1306 (2 nd Dinner Train)	ABRX 701	CRLE 1306

Locomotives - Freight

Locomotive - ALCO S-1 Switcher #52	ABRX 1000	CRLE 52
Locomotive - EMD Switcher #1512	ABRX 1200	CRLE 1512

New Haven Car	ABRX 9607	
Table Car #1558, "Paige Tavern"	ABRX 9606	CRLE 1558
Table Car #9604, "Meadow Rose"	ABRX 9604	CRLE 9604
Table Car #9605, "Spruce"	ABRX 9605	CRLE 9605
Kitchen Car #8022	ABRX 9603	CRLE 8022
Bedroom Lounge Car #210, "Cleveland"	ABRX 9602	CRLE 210
Sleeper/Lounge Observation "Vista Cavern"	ABRX 9601	CRLE 215
Power Car #9600	ABRX 9600	CRLE 9600
Dinner Train Caboose #62	ABRX 99	CRLE 62
Business Car	ABRX 100	

Coach #4308 (BO)	ABRX 504	CRLE 4308
Coach #4315	ABRX 502	CRLE 4315
Coach #4317	ABRX 501	CRLE 4317
Milwaukee Road Tap Lounge Car	ABRX 500	CRLE 165 PVT
Excursion Baggage Car (Lounge Use)	ABRX 503	CRLE 220

CRLE Table Car #1234	ABRX 9500	CRLE 1234
CRLE Kitchen Car #1235	ABRX 9501	CRLE 1235
CRLE Table Car #1236	ABRX 9502	CRLE 1236

Open Car, Baggage "Western Saloon"	ABRX 200	CRLE 225
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Other Railroad Rolling Stock

Ballast Hopper #85656
Ballast Hopper #85660

ABRX # PRESENT
 CRLE #

ABRX 85656 CRLE 85656
ABRX 85660 CRLE 85660

Hi-Rail Truck
1984 Plasser Track Tamper Model #1484
Case 580K Backhoe

VIN NUMBER: CPL3283320729
SERIAL#: 1647
SERIAL#: 17033269

Mechanical Parts & Supplies- Railcars
Mechanical Parts & Supplies- Locomotives
Relay Railroad Ties- 1700
Push Cart

Value \$15,000.00
Value \$25,000.00
Value \$30,000.00
Value \$5,000.00