RECORDATION NO. 26844 FILED

MAR 06 '07 3-16 PM

SURFACE TRANSPORTATION BOARD

MAR 6 2007 RECEIVED

February 21, 2007

Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, D.C. 20423

Dear Secretary:

I have enclosed (4) original documents as described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The documents are Rolling Stock Mortgage Security Agreements dated January 31, 2007.

The parties are as follows:

Lender:
First Bank
200 South Lincoln (PO Box 1325)
O'Fallon, IL
62269

Mortgagors:
CSC Enterprises, Inc. (2)
JME Enterprises, Inc. (2)
102 Willow Drive
O'Fallon, IL 62269

A description of the equipment covered by the documents is locomotives.

Our check in the amount of $136 (4 x $34) is enclosed for the filing fees. Please return the original recorded documents to First Bank, PO Box 1325, O'Fallon, IL 62269 to the attention of Dana Siekmann.

Thank you,

Dana Siekmann

Dana Siekmann
Enclosures

ROLLING STOCK MORTGAGE, SECURITY AGREEMENT ASSIGNMENT OF INTEREST IN LEASES AND FINANCING STATEMENT
(Parts Units)

RECORDATION NO. 26844 FILED
MAR 06 '07 3-16 PM
SURFACE TRANSPORTATION BOARD

MORTGAGOR: JME Enterprises, Inc.
102 Willow Drive
O'Fallon, Illinois 62269

DEBTOR: Ironhorse Resources, Inc.
102Willow Drive
O'Fallon, Illinois 62269

MORTGAGEE: First Bank
200 South Lincoln
O'Fallon, Illinois 62269

COLLATERAL: Locomotives as set forth in Exhibit "A" attached hereto

Dated: January 31, 2007

THIS ROLLING STOCK MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF INTEREST IN LEASES AND FINANCING STATEMENT ("Agreement") made and entered into by and between FIRST BANK, a Missouri banking Corporation ("Secured Party" or "Mortgagee"), whose address is 200 South Lincoln O'Fallon, Illinois 62269 and **JME Enterprises, Inc.,** a Missouri Corporation, ("Mortgagor" or "Grantor") whose address is: 102 Willow Drive, O'Fallon, Illinois, 62269 as follows:

WHEREAS, Ironhorse Resources, Inc., a Missouri corporation, (hereinafter referred to as "Borrower" or "Debtor") is justly indebted to Mortgagee pursuant to, among other things, a promissory note dated January 31, 2007 in the principal sum of $3,677,000.00 ("the Note"); and

WHEREAS, in order to induce Mortgagee to advance funds to Borrower under the Note, Grantor has delivered to Secured Party its unconditional guaranty (the "Guaranty") of the indebtedness due under the Note and such other debts and obligations described in paragraph 1 of this Agreement; and

WHEREAS, Grantor, in order to secure the payment under the Note and the Guaranty has granted to Mortgagee the Security Interest (defined below); and

WHEREAS, it will be to the direct financial interest and benefit of Grantor to grant Mortgagee the Security Interest (defined below).

NOW, THEREFORE, in consideration of the foregoing recitals, each of which is incorporated in and made a part of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Mortgagee covenant and agree as follows:

1. **Indebtedness**. The Security Interest (defined below) is herein created to secure all obligations and indebtedness or Grantor and Borrower to Secured Party, direct or indirect, related or unrelated, now existing or hereafter arising, of whatsoever kind or character, whenever or however created or incurred of Grantor and Borrower including, but not limited to, the Note and the Guaranty together with all renewals, extensions and rearrangements thereof and any sums advanced pursuant to the provisions hereof (the "Indebtedness").

2. **Agreement and Collateral**. For value received, Debtor hereby grants to Secured Party a security interest ("Security Interest") in the following described locomotives and certain leases relating thereto, together with the additional property described in paragraph 3F hereof ("Collateral"), to-wit:

(i) The locomotives described in and bearing the numbers set forth in Exhibit "A" attached hereto (collectively, the "Rolling Stock") and made a part hereof for all purposes and any management agreements relating thereto;

(ii) The rights of the Grantor under certain lease agreements now, or hereinafter, applicable to all or any portion of the Rolling Stock, including, but not limited to, those certain lease agreements (herein collectively the "Lease Agreements") by and between Grantor and those entities described on Exhibit A hereto and any subsequent lessees;

(iii) All Accounts, all equipment, all furniture and fixtures, all Commercial Tort Claims, all Chattel Paper (whether Tangible or Electronic), all General Intangibles, all Instruments and Proceeds, as those terms are defined in the UCC, and all books and records relating to or arising out of any of the items described in items (i) and (ii) above, and all files correspondence, computer programs, tapes, discs and related data processing software owned by the Debtor in which the Debtor has an interest, and which contains

the information concerning or relating to any of the foregoing, as they relate to any of the items described in subsections (i) and (ii) above.

"UCC" means Uniform Commercial Code as in effect in the State of Illinois, as the same has been or may be amended or revised from time to time.

In addition, to secure the obligations described above, the Debtor hereby grants to the Secured Party a security interest in and to any Deposit Account (as that terms is defined in the UCC) including, without limitation, those deposit accounts maintained by the Debtor at the Secured Party.
(iv)

3. **Grantor's Warranties, Covenants and Further Agreements.**

A. **Title**. Except for the Security Interest, Grantor owns or on acquisition will own, the Collateral free from any lien, security interest, encumbrance or claim (except liens for current taxes not due) and Grantor will, at Grantor's cost, keep the Collateral free from any other lien, security interest, encumbrance or claim, and defend the Security Interest and Grantor's rights in the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Grantor is the duly registered owner of the Collateral, and, in that respect and to the extent applicable, Grantor's ownership interest is perfected pursuant to a proper registration under the Revised Interstate Commerce Act, as amended, and Grantor qualifies in all respects as a citizen of the United States as defined in said Act. Grantor has the power and authority to execute and deliver this Agreement. The execution, delivery, and performance of this Agreement by Grantor do not and will not violate any law of any rule, regulation or order of any governmental authority. This Agreement and any instrument or document which is, or shall be, included in the Collateral is, and shall be, genuine and legally enforceable and free from any setoff, counterclaim, or defense.

B. **Recorded Instruments**. No conveyance, financing statement or other instrument affecting Grantor's title to the Collateral or any part thereof is on file in any public office. At Secured Party's request Grantor will execute all financing statements and other instruments and take all other actions deemed necessary by Secured Party to perfect the Security Interest an Grantor will pay all costs thereof. A carbon, photographic or other reproduction of this Agreement or of any financing statement covering the Collateral shall be sufficient as a financing statement and may be filed as a financing statement. The address of Grantor designated at the beginning of this Agreement is Grantor's place of business if Grantor has only one place of business; Grantor's chief executive office if Grantor has more than one place of business; or Grantor's residence if Grantor has no place of business.

C. **Assignment**. Grantor will not sell or otherwise dispose of all or part of the Collateral. Secured Party may assign or transfer all or part of its rights in, and obligations, if any, under the Indebtedness, the Collateral and this Agreement.

D. **Liens.** Grantor shall not create or permit to exist any lien, encumbrance or security interest upon or with respect to any Collateral now owned or hereafter acquired, in favor of anyone other than Secured Party, and Grantor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Grantor shall further perform any and all acts reasonably requested by Secured Party to establish, perfect, maintain and continue Secured Party's security interests and liens upon the Collateral, including, but not limited to: (i) executing financing statements, documents or certificates of title and any and all other instruments and documents (including, without limitation, any instruments to be filed with the Surface Transportation Board) when and as reasonably requested by Secured Party, and (ii) causing the Lessees of any part of the Collateral to execute and deliver to Secured Party waivers or subordinations satisfactory to Secured Party with respect to any rights in such Collateral.

E. **Taxes**. Grantor shall pay or cause to be paid, promptly, and in every case prior to becoming delinquent all taxes and assessments on or relating to the Collateral, or for its use or operation, or upon this Agreement or any of the Indebtedness, or with respect to the perfection of any security interest or other lien hereunder (except as otherwise required by law); provided, however, that Grantor shall not be required to pay any such tax or assessment the payment of which is being contested in good faith and by appropriate proceedings being diligently conducted and for which adequate reserves in form and amount acceptable to Secured Party have been provided, except that Grantor shall cause (i) to be paid all taxes and assessments upon the commencement of proceedings to foreclose upon any lien on the Collateral unless such foreclosure is stayed by the filing of an appropriate bond, and (ii) any arrest, seizure, levy, custody of or other detainer of any of the Collateral to be released within ten (10) days by filing an appropriate bond or undertaking or be securing such discharge or release by stipulation or otherwise and Grantor shall execute and deliver to Secured Party, on demand, appropriate certificates attesting to the payment or deposit thereof.

F. **Insurance**. Grantor shall, at all times, keep all Collateral insured against loss, damage, theft and other risks, by maintaining policies in such amounts and with companies and under such policies and in such form, all as shall be acceptable to Secured Party. Grantor shall maintain single limit public liability and property damage insurance of not less than $5,000,000.00 per occurrence, or such greater or lesser amount as Secured Party may from time to time request on notice to Grantor. Grantor shall

cause such insurance policies to be written with loss payable causes providing in effect that the proceeds of any property insurance policy paid on account of any loss shall be paid to Secured Party, which proceeds shall be disbursed by Secured Party to Grantor for repair, restoration or replacement of the damaged property, under the terms conditions of the following subparagraph G, or applied by Secured Party. Grantor shall maintain such other insurance as may be required by law. Grantor shall furnish Secured Party with a copy or certificate of each such policy or policies and, prior to any expiration or cancellation, each renewal or replacement thereof.

G. **Event of Loss.** Proceeds of insurance received by Grantor on account of any partial loss may be used by Grantor or Grantor's Lessee for the purpose of making repairs to such Collateral so long as (i) no Default or Event of Default under this Agreement has occurred and is continuing and (ii) Grantor provides certification to Secured Party of the repairs made on completion of such repairs. If a Default or Event of Default under this Agreement has occurred and is continuing, all insurance proceeds received by Secured Party on account of any loss of or damage to any of the Collateral may, at the option of Secured Party, either (i) be used and applied for the sole purpose of paying the cost of repair, restoration or replacement of the Collateral damaged or destroyed, and Grantor shall provide Secured Party with an appropriate certification by a qualified engineer that any such repair, restoration or replacement which exceeds $50,000.00 in cost has been completed, or (ii) be applied to the payment of the Indebtedness in such order and manner as Secured Party may elect.

H. **Maintenance.** Grantor agrees that the Collateral will not be maintained, used, or operated in violation of any policy of insurance or any law or any rule, regulation, or order of any governmental authority having jurisdiction. Grantor will maintain all records, logs, and other materials required by applicable state and federal law and regulation to be maintained in respect of the Collateral, and Secured Party or its agents shall have the right to inspect the Collateral and examine, audit, and copy all records, logs, and other material relating to the Collateral. Grantor will not enter into any pooling arrangement affecting the Security Interest in the Collateral, or any part thereof. At any time Grantor shall furnish reports, data and financial statements, including audits by independent public accountants, in respect of the Collateral and Grantor's business and financial condition, as Secured Party may require. Grantor will pay promptly when due all taxes and assessments on the Collateral or for its use and operation and all costs, expenses and insurance premiums necessary to preserve, protect, maintain and collect the Collateral. Secured Party may, at its option, discharge such costs, expenses, and premiums for the repair, maintenance, and preservation of the Collateral, and all sums so expended shall be part of the Indebtedness and shall bear interest at the maximum rate permitted by applicable law.

I. **Notice of Certain Events.** Grantor shall give Secured Party notice of any attachment, lien judicial process, encumbrance or claim affecting, or any other event which may adversely impact, any Collateral and any casualty to or accident involving any Collateral.

J. **Cargo**. Grantor shall not use the Collateral, or permit it to be used, for the transportation or storage of any Hazardous Substance except in strict compliance with all applicable Environmental Laws and applicable Occupational Safety and Health Laws and provided Grantor maintains insurance of a kind and in an amount generally carried by Persons engaged in the same or similar transportation of Hazardous Substances as is Grantor.

K. **General Indemnity.** Grantor hereby agrees to indemnify, pay and hold Secured Party and any holder of the Note, and the officers, directors, employees, agents and affiliates of Secured Party and any such holder or holders (collectively, the "Indemnitees") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, incurred by or asserted against the Indemnitees, in any manner relating to or arising out of this Agreement, the Note or any other agreement, document or instrument executed and delivered by Grantor or Borrower in connection herewith or therewith, (collectively, the "indemnified liabilities"); provided that Grantor shall have no obligation to an Indemnitees hereunder with respect to indemnified liabilities arising from the gross negligence or willful misconduct of that Indemnitee as determined by a court of competent jurisdiction in a final, non-appealable order. To the extend that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Grantor shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 3 (K) shall survive satisfaction and payment of the Note and the Indebtedness and the termination of this Agreement.

L. **Secured Party's Performance.** Grantor will allow Secured Party, at is option, from time to time, to perform any agreement of Grantor hereunder which Grantor shall fail to perform and take any other action which Secured Party deems necessary for the maintenance or preservation of any of the Collateral or its interest therein (including, without limitation, the discharge of taxes, except as such taxes are being contested in good faith as permitted by Section 3 (E) above, or liens of any kind

against the Collateral or the procurement of insurance or the payment of warehousing charges, landlord's bills or other charges), and Grantor agrees to forthwith reimburse Secured Party for all costs and expenses incurred by Secured Party in connection with the foregoing, together with interest thereon at a rate per annum equal to the lesser of 18% per annum or the highest rate allowed by law from the date incurred until reimbursed by Grantor. Secured Party may for the foregoing purposes act in its own name or that of Grantor and may also so act for the purposes of adjusting, settling or, upon the occurrence and continuation of an Event of Default, canceling any policy of insurance on the Collateral or endorsing any draft received in connection therewith in payment of a loss or otherwise, for all of which purposes Grantor hereby grants to Secured Party its power of attorney, irrevocable during the Term of this Agreement. In the event Secured Party, in its sole discretion, undertakes any action under this Section IV(L) at any time or from time to time, Secured Party shall be under no obligation to undertake any such action on any subsequent occasion, and Secured Party shall not be required to provide Grantor or any other Person with any notice to take any action hereunder or of its intent not to take any action hereunder at any time or from time to time.

M. **Additional Property**. The Collateral includes (i) all products and proceeds of, accessions to, and substitutions and replacements for, the property described in Paragraph 2 above and all leases, subleases, rental agreements, charter agreements, and other agreements relating to the property described in Paragraph 2 above, including, but not limited to, Grantor's right to receive any and all rents, lease payments, fees or other amounts under such leases, subleases or agreements, and (ii) all books, logs, records, registrations, schedules, and warranties that relate to the Collateral. Secured Party shall have the right to set off and apply against the Indebtedness or any part thereof at any time, without notice to Grantor, any and all deposits or other sums at any time credited by or due from Secured Party to Grantor, whether in a special account or other account or represented by a certificate of deposit (whether or not matured), which deposits and other sums shall at all time constitute additional security for the Indebtedness. Grantor will immediately deliver all additional property to Secured Party upon receipt by Grantor, with proper instruments of transfer and assignment, if possession by Secured Party is necessary to perfect Secured Party's Security Interest or if otherwise required pursuant to this Agreement.

N. **Change of Location**. Grantor agrees that the Collateral will not be operated or located outside the FORTY-EIGHT (48) states constituting the continental United States. Further, any lease of the Rolling Stock shall contain the following provision so as to provide protection to the Grantor and Secured Party for the possible event that the Rolling Stock is operated or located outside the FORTY-EIGHT (48) states constituting the continental United States:

"Lessee agrees to the best of its ability, to use the Rolling Stock exclusively in Lessee's own service within the boundaries of the continental United States (exclusive of Alaska, Hawaii and Canada) and to make no transfer, or assignment, of this Agreement, except that Lessee shall have the right to sublease any of the Rolling Stock; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain fully liable to Lessor under this Agreement. In the event the Rolling Stock is used outside of the specified and/or Mexico, Lessee agrees to bear full responsibility for, to defend, and to reimburse Lessor for any loss, damage and/or cost and expenses suffered by Lessor, or claim against Lessor and for all cost and expenses, including legal costs and attorney's fees arising in any way from such movement. Subject always to the foregoing this agreement inures to the benefit of, and is binding upon, the Lessor, its successors and assigns and the Lessee, its successors and assign."

O. **Condition**. Grantor will at all times keep the Collateral duly registered and/or recorded, whichever is applicable, with the Surface Transportation Board and all other federal and state authorities having jurisdiction, and will not allow such registration or recordation at any time to expire, or to be suspended, revoked, cancelled or terminated.

P. **Notice of Changes**. Grantor will immediately notify Secured Party of any change occurring in or to the Collateral, of any change in Grantor's principal place of business, chief executive office, or residence, or of any change in any fact or circumstance warranted or represented by Grantor to Secured Party, or if any event of default under this Agreement occurs.

4. **Rights of Secured Party**. Grantor hereby appoints Secured Party as Grantor's attorney-in-fact to do any act which Grantor is obligated by this Agreement to do, to exercise all rights of Grantor in the Collateral, and to do all things deemed necessary by Secured Party to perfect the Security Interest and preserve, collect, enforce and protect the Collateral and any insurance proceeds thereof, all at Grantor's cost and without any obligation on Secured Party so to act, including, but not limited to, transferring title into the name of Secured Party, or its nominee, or receipting for, settling, or otherwise realizing upon the Collateral. Secured Party may, in its discretion, require Grantor to give possession or control of the Collateral to Secured Party; take control of the Collateral or proceeds thereof and use cash proceeds to reduce any part of the Indebtedness; require additional Collateral; notify the post office authorities to change the address for delivery of mail to Grantor to an address designated by Secured Party and to receive, open, and dispose of mail addressed to Grantor; exercise such rights as

Grantor might exercise relative to the Collateral, including, without limitation, the leasing, chartering, renting or other utilization thereof; give notices to account Grantors and other parties liable under the Collateral to make payment directly to Secured Party; renew, extend, or otherwise change the terms and conditions of any of the Collateral or the Indebtedness; compromise, prosecute, or defend any action, claim, or proceeding concerning the Collateral; endorse any checks, draft, documents, or instruments arising in connection with or pertaining to the Collateral; reject as unsatisfactory any property hereafter offered by Grantor as Collateral; designate, from time to time, a certain percentage of the Collateral as the loan value and require Grantor to maintain the Indebtedness at or below such figure. Secured Party shall not be liable for any act or omission on the part of Secured Party, its officers, agents or employees, except willful misconduct. Secured Party shall not be responsible for any depreciation in the value of the Collateral or for preservation of rights against prior parties. Additionally, and without regard to whether an Event of Default then exists, the Secured Party may, from time to time, and at any time, notify lessees of any part of the Collateral and direct them to make all future payments due under any lease directly to the Secured Party for immediate application to the Indebtedness. The foregoing rights and powers of Secured Party may be exercised before or after default and shall be in addition to, and not a limitation upon, any rights and powers of Secured Party given herein or by law, custom, or otherwise.

5. **Events of Default**. Grantor shall be in default hereunder upon the happening of any of the following events or conditions: (a) any default in the timely payment or performance of the Indebtedness or any part thereof or of any other indebtedness, including, but not limited to a default under the Note that is unremedied ten (10) days following written notice of such default by Secured Party to Borrower and Grantor; (b) any failure or refusal of Debtor or any Obligated Party (as defined hereinafter) to perform or observe any obligation, covenant, or agreement made or owed by it to Secured Party and failure or refusal is unremedied thirty (30) days following written notice of such default by Secured Party to Borrower and Grantor; (c) any warranty, representation, or statement made or furnished to Secured Party by or on behalf of Debtor or any Obligated Party proves to have been false in any material respect when made or furnished; (d) any loss, theft, substantial damage, sale, unlawful use, unauthorized transfer, or other deterioration or impairment of the Collateral or any part thereof; (e) the death, incapacity, dissolution, liquidation, merger, consolidation, termination of existence, insolvency, or business failure of Debtor or any Obligated Party, or the appointment of a receiver, trustee, or other legal representative Debtor or any Obligated Party or any of their respective property, or Debtor or any Obligated Party shall make an assignment for the benefit of its creditors, or proceedings under any bankruptcy or insolvency law shall be commenced by or against Debtor any Obligated Party; (f) any event which permits the acceleration of the maturity of indebtedness of Debtor or any Obligated Party to others under any indenture, agreement, or

undertaking; (g) the making of any levy, attachment, execution, or other process against Debtor or any Obligated Party or any of the Collateral; (h) Secured Party at any time deems itself insecure or believes that the prospect of payment or performance of the Indebtedness or any portion thereof is impaired; (i) any judgment shall have been rendered against Debtor or any Obligated Party which remain unpaid for THIRTY (30) days or (j) any default under any loan agreement executed in connection with the Indebtedness.

For purposes of this Agreement, the term "Obligated Party" means any guarantor, surety, endorser, or other party (other than Debtor) directly or indirectly obligated, primarily or secondarily, for the Indebtedness or any portion thereof.

6. **Remedies of Secured Party upon Default.** When an event of default occurs, and at any time thereafter, Secured Party may declare all or any part of the Indebtedness immediately due and payable and may proceed to enforce payment of the same and to exercise any and all of the rights and remedies provided by the Uniform Commercial Code ("Code"), as well as all other rights and remedies possessed by Secured Party under this Agreement, at law, in equity, or otherwise. Secured Party may also require Grantor, at Grantor's cost and expense to assemble the Collateral and all log books and records relating thereto and make them available to Secured Party at any place to be designated by Secured Party which is reasonable convenient to both parties. For purposes of the notice requirements of the Code, secured Party and Grantor agree that notice given at lease Ten (10) days prior to the related action hereunder is reasonable. Secured Party shall have authority to enter upon any premises upon which the Collateral may be situated, and remove the same therefrom. Expenses or retaking, holding, maintaining, insuring, preparing for sale or lease, selling, leasing, or the like, shall include, without limitation, Secured Party's reasonable attorneys' fees and legal expenses and all such expenses shall be recovered by Secured Party before applying the proceeds from the disposition of the Collateral toward the Indebtedness. Secured Party may use its discretion in applying the proceeds of any disposition of the Collateral. All rights and remedies of Secured Party hereunder are cumulative and may be exercised singly or concurrently. The exercise of any right or remedy will not be a waiver of any other.

7. **General.**

A. **Waiver by Secured Party**. No waiver by Secured Party of any right hereunder or of any default by Grantor, Debtor or any Obligated Party shall be binding upon Secured Party unless in writing. Failure or delay by Secured Party to exercise any right hereunder or waiver of any default of Debtor or any Obligated Party shall not operate as a waiver of any other right, of further exercise of such rights, or of any further default.

B. **Parties Bound**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, receivers, trustees and assigns where permitted by this Agreement. If this Agreement is signed by more than one Grantor, each Grantor shall be jointly and severally liable for all representations, warranties, and agreements hereunder, and all provisions hereof regarding the Indebtedness or the Collateral shall apply to any Indebtedness or Collateral of any or all of them. This Agreement shall constitute a continuing agreement applying to all future as well as existing transactions, such future transactions being contemplated by Grantor and Secured Party. If all Indebtedness shall at any time be paid in full, this Agreement shall nonetheless remain in full force and effect with respect to any Indebtedness thereafter incurred.

C. **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and the applicable laws of the United States of America and is performable in the county where the principal office of Secured Party is located. Except as otherwise provided herein, all terms used herein which are defined in the Code shall have the meanings therein stated.

D. **Notice**. Notice shall be given or sent when mailed postage prepaid to Grantor's address given above or to Grantor's most recent address as shown by notice of change on file with Secured Party.

E. **Modification**. This Agreement shall not be amended in any way except by a written agreement signed by the parties hereto.

F. **Severability**. The unenforceability of any provision of this Agreement shall not affect the enforceability or validity of any other provision hereof.

G. **Construction**. If there is any conflict between the provisions hereof and the provisions of the Indebtedness, the latter shall control. The captions herein are for convenience of reference only and not for definition or interpretation.

H. **Waiver by Grantor**. Grantor hereby waives presentment demand, notice of intent to demand, notice of dishonor, protest, notice of acceleration, notice of intent to accelerate, and notice of protect, and all other notices with respect to collection, or acceleration of maturity, of the Collateral and the Indebtedness.

I. **Additional Terms**. All annexes and schedules attached hereto, if any, are hereby made a part hereof.

J. **ENTIRE AGREEMENT**. THIS AGREEMENT AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AGREEMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDING, WHETHER WRITTEN OR ROAL, RELATING TO THIS AMENDMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

K. **Counterparts**. This Agreement can be in any number of counterparts each of which shall be deemed an original for purposes of enforcing the same and production of any original other than the original to be produced need not be required.

JME Enterprises, Inc.

By _____
Printed Name: Gregory B. Cundiff
Title: President

EXECUTED IN BLUE INK ONLY)

STATE OF ILLINOIS)
)SS.
COUNTY OF ST. CLAIR)

On this 31st day of January, 2007, before me personally appeared Gregory B. Cundiff, to me personally known, who being by me duly sworn, says that his/hers execution of the foregoing instrument was his/hers free act and deed.

Connie J. DeCourcey
Notary Public

SECURED PARTY: First Bank

BY: Linette Warnecke

Linette Warnecke, Vice President

STATE OF ILLINOIS)
) **SS.**
COUNTY OF ST. CLAIR)

On this 31st day of January, 2007, before me personally appeared Linette Warnecke, to me known, who being by me duly sworn, says that she is an Vice President of First Bank, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, (or if no seal is affixed then no seal has been adopted by the corporation), and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that execution of the foregoing instrument was the free act and deed of said corporation.

"OFFICIAL SEAL"
DANA SIEKMANN
NOTARY PUBLIC—STATE OF ILLINOIS
MY COMMISSION EXPIRES JAN. 2, 2009

Dana L. Siekmann

Notary Public

EXHIBIT A

Locomotives as described below:

Unit No. 1705 Engine Serial # 7021

Unit No. (905) Engine Serial # 12066