

RECORDATION NO. 30296  
FILED July 16, 2012 10:20 AM  
SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.

SUITE 301  
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL [alvordlaw@aol.com](mailto:alvordlaw@aol.com)

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

July 16, 2012

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 "E" Street, S.W.  
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement, dated as of July 10, 2012, 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:

Lender: PNC Equipment Finance, LLC  
One PNC Plaza  
249 Fifth Avenue  
Pittsburgh, PA 15222

Borrowers: LHAGS, Inc.  
429 Logan Ave SE  
Warren, OH, 44483

L.T.E. Rail Services, Inc.  
155 S. Park Ave., Ste. 123  
Warren, OH 44481

Chief, Section of Administration  
July 16, 2012  
Page 2

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

95 locomotives: BAP 1402, CLC 3804, CLC 3805, LNW 1448, LNW 1456, SAV 1433, SAV 1454, UCRY 1401, UCRY 1418, UCRY 1496 and within the series LTEX 70 – LTEX 9005 as more particularly set forth in the attachment to the document.

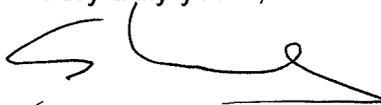
A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement.

Also enclosed is a check in the amount of \$41.00 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.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Edward M. Luria', with a checkmark to the left of the name.

✓ Edward M. Luria

EML/bhs  
Enclosures

## SURFACE TRANSPORTATION BOARD

IME

7-10-2012

**MEMORANDUM OF LOAN AND SECURITY AGREEMENT**

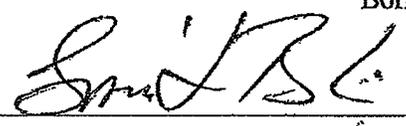
This Memorandum of Loan and Security Agreement is entered into as of July 10<sup>th</sup>, 2012 by and among LHAGS, Inc., an Ohio corporation, L.T.E. RAIL SERVICES INC., an Ohio corporation, (hereinafter collectively "Borrower"), and PNC EQUIPMENT FINANCE, LLC, a Delaware limited liability company ( hereinafter "Lender") respecting that certain Loan and Security Agreement dated as of July 10<sup>th</sup>, 2012.

The Borrower and Lender hereby affirm and acknowledge that pursuant to the Security Agreement, Lender has agreed to make certain financial accommodations to Borrower and Borrower has agreed to grant to Lender a security interest in all of the locomotives, hereinafter identified in Schedule A hereto and Borrower hereby grants, assigns and pledges to Lender a security interest in all of Borrower's right, title and interest in and to any current or future leases relating to such locomotives and any and all proceeds thereunder including without limitation any rent or insurance proceeds, whether now existing or hereinafter arising.

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LHAGS, Inc.-  
Borrower

By: 

Name: SPIROS BAKELIS

Title: VICE PRESIDENT

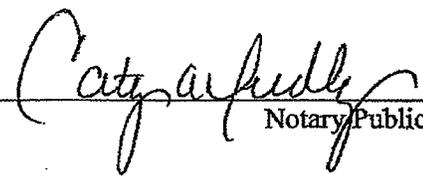
State of Ohio

County of Trumbull

}  
} SS.  
}

On this 10 day of July, 2012, before me appeared Spiros Bakelis, to me personally known who being duly sworn stated that he/she is the Vice President LHAGS, Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

  
Notary Public

My commission expires:

May 16, 2017

LHAGS, Inc.-  
Borrower

By: 

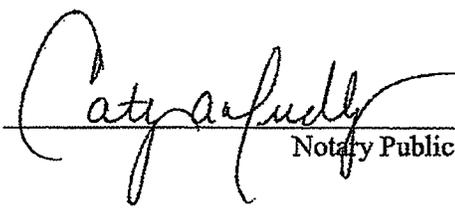
Name: GEORGE BAKERIS

Title: PRESIDENT

State of Ohio }  
County of Trumbull } SS.

On this 16 day of July, 2012, before me appeared George L. Bakeris to me personally known who being duly sworn stated that he/she is the President LHAGS, Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

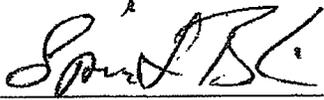
[Seal]

  
Notary Public

My commission expires:

May 16, 2017

L.T.E. RAIL SERVICES INC.-  
Borrower

By: 

Name: SILVIO BAKES

Title: VICE PRESIDENT

State of Ohio

County of Trumbull

}  
}  
} SS.  
}

On this 10 day of July, 2012, before me appeared Silvio Bakes to me personally known who being duly sworn stated that he/she is the Vice President L.T.E. Rail Services Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

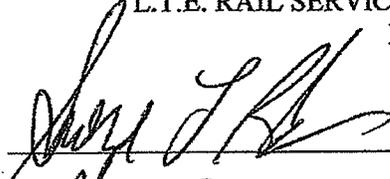
  
Notary Public

My commission expires:

May 16, 2017

L.T.E. RAIL SERVICES INC.-

Borrower

By: 

Name: GEORGE BAKELS

Title: PRESIDENT

State of OHIO

County of Trombly

}  
}  
} SS.  
}

On this 10 day of July, 2012, before me appeared George L Bakels to me personally known who being duly sworn stated that he/she is the President L.T.E. Rail Services Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

  
Notary Public

My commission expires:

MAY 16 2017

# EXHIBIT A

Locomotives Serial Number
LTEX 1428
LTEX 3001
LTEX 4020
LTEX 3808
LTEX 3809
BAP 1402
LTEX 70
LTEX 3000
LTEX 1413
LTEX 1208
LTEX 3801
LTEX 9005
LTEX 2910
LTEX 1537
LTEX 2912
LTEX 2913
LTEX 1507
LTEX 1534
LTEX 1535
LTEX 2911
LTEX 2372
LTEX 3900
LTEX 3801
CLC 3804
CLC 3805
LTEX 3810
LTEX 1203
LTEX 1416
LTEX 1509
LTEX 1539
LTEX 1530
LTEX 1204
LTEX 1419
LTEX 1443
LTEX 1404
LNW 1448
LNW 1458
LTEX 3806
LTEX 3807
LTEX 803
LTEX 802
LTEX 573
LTEX 1200
LTEX 125
LTEX 127
LTEX 130
LTEX 131
LTEX 1511
UCRY 1401
UCRY 1418
UCRY 1486

# EXHIBIT A

LTEX 1207
LTEX 905
LTEX 1541
LTEX 1542
LTEX 1007
LTEX 905
LTEX 830
LTEX 1434
LTEX 1451
LTEX 306
LTEX 1431
LTEX 1449
LTEX 2077
LTEX 3803
LTEX 1074
LTEX 1100
LTEX 1002
LTEX 1003
LTEX 1004
LTEX 824
LTEX 825
LTEX 826
LTEX 827
LTEX 828
LTEX 829
LTEX 831
LTEX 3530
LTEX 530
LTEX 3629
LTEX 500
LTEX 501
LTEX 3627
LTEX 1521
LTEX 1523
LTEX 3434
SAV 1433
SAV 1454
LTEX 601
LTEX 1446
LTEX1455
LTEX 1221
LTEX 1231
LTEX 1241
LTEX 925

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 7/16/12

Edward M Luria  
Edward M. Luria