

RECORDATION NO 30436

FILED

October 11, 2012 02:35 PM

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

OF COUNSEL  
URBAN A. LESTER

October 11, 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 Security Agreement, dated as of October 11, 2012, a primary document as defined in the Board's Rules for the Recordation of Documents.

The name and address of the party to the enclosed document are:

Secured Party: PNC Bank, National Association  
Three PNC Plaza  
255 Fifth Avenue, Fourth Floor  
Pittsburgh, PA 15222

[Grantor: LHAGS, Inc.  
429 Logan Ave Se  
Warren, OH 44483]

Chief, Section of Administration

July 23, 2012

Page 2

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

73 locomotives: LAJ 2568, LAJ 2588, LAJ 2619, BNSF 1376, BNSF 1481, BNSF 1919, BNSF 1921, BNSF 6311 and within the series BNSF 1717 – BNSF 1728 and BNSF 2409 - BNSF 2588 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 Security Agreement.

Also enclosed is a check in the amount of \$42.00 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 be 'E. Luria', written in a cursive style.

✓ Edward M. Luria

EML/sem  
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT TRANSPORTATION BOARD

This Memorandum of Security Agreement is entered into as of October 11<sup>th</sup>, 2012 by and between LHAGS, Inc., an Ohio corporation, (hereinafter "Grantor"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association, (hereinafter "Lender") respecting that certain Security Agreement dated as of October 11<sup>th</sup>, 2012.

The Grantor and Lender hereby affirm and acknowledge that pursuant to a certain Term Note dated October 11<sup>th</sup>, 2012, Lender has agreed to make certain financial accommodations to Borrower and Borrower has agreed pursuant to the Security Agreement to grant to Lender a security interest in all of the seventy one (71) locomotives, hereinafter identified in Schedule A hereto.

[Remainder of this page intentionally left blank.]

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

PNC BANK, NATIONAL ASSOCIATION  
Lender

By: *Edward J. Bennett*

Name: *Edward J. Bennett*

Title: *Vice President*

State of *Ohio* }  
County of *Trombly* } SS.

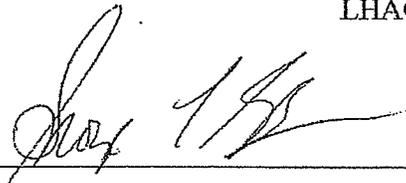
On this *11* day of *October*, 2012, before me appeared *Edward J. Bennett*, to me personally known who being duly sworn stated that he/she is the *Vice President* PNC Bank, National Association, that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

*Cathy A. Rudy*  
Notary Public

My commission expires: *May 16, 2019*

LHAGS, Inc.-  
Grantor

By: 

Name: GEORGE L BAKER

Title: PRESIDENT

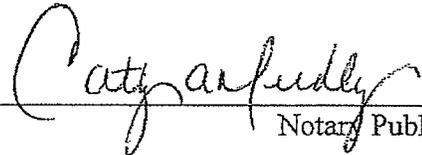
State of Ohio

County of Trumbull

}  
}  
} SS.  
}

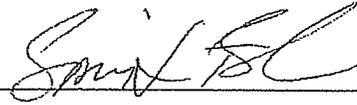
On this 11 day of October, 2012, before me appeared George L Baker to me personally known who being duly sworn stated that he/she is the PRESIDENT LHAGS, Inc., that said instrument was signed on behalf of said company by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

  
Notary Public

My commission expires: MAY 16, 2017

LHAGS, Inc.-  
Grantor

By: 

Name: SPIROUS L. BAKELLIS

Title: VICE PRESIDENT

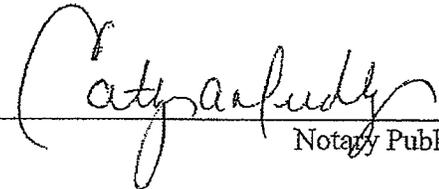
State of Ohio

County of Trumbull

}  
} SS.  
}

On this 11 day of October, 2012, before me appeared Spiros L. Bakellis 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

## Schedule A

BNSF 2409 GP30u Barstow, CA
BNSF 2413 GP30u Barstow, CA
BNSF 2414 GP30u Barstow, CA
BNSF 2418 GP30u Barstow, CA
BNSF 2422 GP30u Barstow, CA
BNSF 2430 GP30u Barstow, CA
BNSF 2438 GP30u Barstow, CA
BNSF 2439 GP30u Barstow, CA
BNSF 2441 GP30u Barstow, CA
BNSF 2442 GP30u Barstow, CA
BNSF 2443 GP30u Barstow, CA
BNSF 2445 GP30u Barstow, CA
BNSF 2446 GP30u Barstow, CA
BNSF 2447 GP30u Barstow, CA
BNSF 2448 GP30u Barstow, CA
BNSF 2462 GP30u Barstow, CA
BNSF 2465 GP30u Barstow, CA
BNSF 2466 GP30u Barstow, CA
BNSF 2470 GP30u Barstow, CA
BNSF 2471 GP30u Barstow, CA
BNSF 2472 GP30u Barstow, CA
BNSF 2509 GP35u Barstow, CA
BNSF 2516 GP35u Barstow, CA
BNSF 2519 GP35u Barstow, CA
BNSF 2527 GP35u Barstow, CA
BNSF 2530 GP35u Barstow, CA
BNSF 2535 GP35u Barstow, CA
BNSF 2536 GP35u Barstow, CA
BNSF 2542 GP35u Barstow, CA
BNSF 2550 GP35u Barstow, CA
BNSF 2551 GP35u Barstow, CA
BNSF 2553 GP35u Barstow, CA
BNSF 2558 GP35u Barstow, CA
BNSF 2561 GP35u Barstow, CA
BNSF 2563 GP35u Barstow, CA
BNSF 2566 GP35u Barstow, CA
BNSF 2570 GP35u Barstow, CA
BNSF 2573 GP35u Barstow, CA
BNSF 2574 GP35u Barstow, CA
BNSF 2578 GP35u Barstow, CA
BNSF 2580 GP35u Barstow, CA
BNSF 2588 GP35u Barstow, CA
BNSF (GN) 6311 SD40 Barstow, CA
LAJ 2568 CF7 Barstow, CA
LAJ 2563 CF7 Barstow, CA

LAJ 2619 CF7 Barstow, CA
BNSF 2545 GP35u Topeka, KS
BNSF 2544 GP35u Topeka, KS
BNSF 2541 GP35u Topeka, KS
BNSF 2540 GP35u Topeka, KS
BNSF 2534 GP35u Topeka, KS
BNSF 2533 GP35u Topeka, KS
BNSF 2532 GP35u Topeka, KS
BNSF 2528 GP35u Topeka, KS
BNSF 2526 GP35u Topeka, KS
BNSF 2525 GP35u Topeka, KS
BNSF 2524 GP35u Topeka, KS
BNSF 2514 GP35u Topeka, KS
BNSF 2513 GP35u Topeka, KS
BNSF 2511 GP35u Topeka, KS
BNSF 2506 GP35u Topeka, KS
BNSF 2504 GP35u Topeka, KS
BNSF 2503 GP35u Topeka, KS
BNSF 1376 GP15-1 Topeka, KS
BNSF 1481 GP15-1 Topeka, KS
BNSF (GN) 1717 SD9 Topeka, KS
BNSF (GN) 1719 SD9 Topeka, KS
BNSF (GN) 1724 SD9 Topeka, KS
BNSF (GN) 1728 SD9 Topeka, KS
BNSF (GN) 1919 SD39 Topeka, KS
BNSF (GN) 1921 SD39 Topeka, KS

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: 10/17/12

Edward M Luria  
Edward M. Luria