

BRANDT, PEZZETTI, VERMETTEN & POPOVITS, P.C.
ATTORNEYS AT LAW

THOMAS A. PEZZETTI, JR.
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RECORDATION NO. 26640-C

DEC 06 2016 -4:13 PM

October 21, 2016

SURFACE TRANSPORTATION BOARD

Surface Transportation Board
ATTN: Document Recordings
3935 East Street SW
Washington, DC 20024

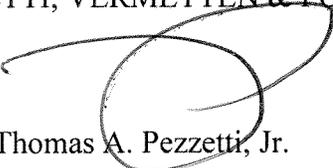
Re: mBank/Escanaba and Lake Superior Railroad Company
Amendment to Mortgage on Rolling Stock

Dear Sir or Madam:

Enclosed please find an Amendment to Mortgage on Rolling Stock to be recorded. Also enclosed please find a check in the amount of \$4500 for the recording fee. Please return the recorded Amendment to Mortgage in the enclosed envelope. Thank you for your assistance in this matter.

Sincerely,

BRANDT, PEZZETTI, VERMETTEN & POPOVITS, P.C.


Thomas A. Pezzetti, Jr.

TAP/bls
Encls.
4050.0705

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SURFACE TRANSPORTATION BOARD

AMENDMENT TO MORTGAGE
ON ROLLING STOCK

Escanaba and Lake Superior Railroad Company, a Michigan corporation, of One Larkin Plaza, Wells, Michigan 49894 ("Obligor") and mBank, a Michigan banking corporation, of 130 South Cedar Street, Manistique, Michigan 49854 ("Bank"), in consideration of the mutual covenants and agreements contained herein, hereby agree as follows:

RECITALS

WHEREAS, Obligor granted a certain Mortgage on Rolling Stock dated June 30, 2006 (the "Mortgage") to Wisconsin Community Bank, which was recorded with the Surface Transportation Board and bearing Recordation Number 26640 to secure the payment of the sum of \$3,000,000.00 with interest thereon and costs related thereto, as security upon on all that railroad rolling stock identified in Schedule 1 attached thereto and incorporated therein (the "Mortgaged Property").

WHEREAS, Wisconsin Community Bank assigned its interest in the outstanding debt of Obligor and the Mortgage to mBank pursuant to an Assignment of Mortgage on Rolling Stock dated July 21, 2011, and recorded with the Surface Transportation Board and bearing Recordation Number 2664-B.

WHEREAS, the Obligor and mBank have agreed to amend the Mortgage on the terms and conditions stated herein (the "Amendment").

NOW, THEREFORE, in consideration of the mutual promises and other valuable consideration, with the intent to be legally bound hereby, the parties agreed as follows:

AGREEMENTS:

1. Obligations Secured. In addition to the obligations of Obligor set forth in the Mortgage, the Mortgage shall also secure a Line of Credit Note of even date in the original principal amount of \$1,000,000.00, and a Term Note of even date in the original principal amount of \$425,000.00 with interest thereon and costs related thereto.
2. Rolling Stock. The obligations of Obligor secured by the Mortgage and this Amendment shall be secured by all that certain rolling stock identified in Schedule 1 attached hereto and incorporated herein.

DOES.HEREBY GRANT, bargain, sell, assign, transfer and set over unto the said mBank, its heirs, executors, administrators and assigns a certain Mortgage on Rolling Stock dated as of June 30, 2006 (the "Mortgage"), given and executed by Escanaba and Lake Superior Railroad Company to WCB, recorded with the Surface Transportation Board and bearing recordation No. 26640 respectively, to

secure the payment of the sum of \$3,000,000.00 dollars with interest thereon and costs related thereto, and secured upon all that certain railroad rolling stock identified in Schedule 1 attached hereto and incorporated herein (to be further identified, supplemented and added to from time to time) whether now in existence or hereafter acquired, together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated thereinto or used in connection therewith; and together with all products, replacements, additions, substitutions and proceeds (including any claims or insurance payable by reason of loss or damage to the Units) thereof ("Mortgaged Property"); also the obligations in the said Mortgage and all moneys, principal and interest due and to grow due thereon; together with all rights, remedies, obligations, and incidents thereunto belonging; and all WCB's right, title interest, property, claim and demand in and to the same;

TO HAVE, hold, receive and take all and singular the Mortgaged Property hereby ranted and assigned, or mentioned and intended so to be, unto the said mBank, its heirs, executors, administrators and assigns, to and for its and their only proper use, and benefit forever; subject, nevertheless, to the rights of Escanaba and Lake Superior Railroad Company as contained in said Mortgage.

3. Miscellaneous

All covenants and agreements in this Assignment made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

The titles to the various sections of this Assignment are solely for convenience and are not a part of the Assignment for purposes of interpreting the provisions hereof.

This Assignment, the Schedule, or any other instruments, documents or agreements to be delivered hereunder, are being executed and delivered and are intended to be performed in the State of Michigan. The parties hereto agree that the law of the State of Michigan shall govern their rights and duties hereunder, excepting applicable federal law.

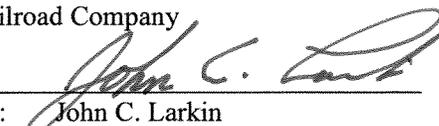
4. Severability. The provisions of this Agreement are severable, and if any clause or provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such clause or provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability of such clause or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

5. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered by all parties, shall be an original, but all such counterparts shall together constitute but one and the same instrument

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Mortgage to be executed this 30th day of September, 2016.

MORTGAGOR:

Escanaba and Lake Superior
Railroad Company

By: 
Its: John C. Larkin
President

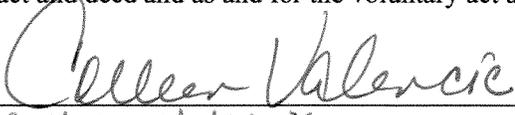
MORTGAGEE:

mBank

By: 
Its: Clay Peterson
Senior Vice President

STATE OF MICHIGAN)
) ss.
COUNTY OF Delta)

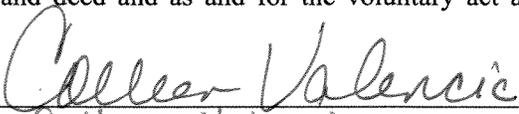
On this 30 day of September, 2016, before me personally appeared John C. Larkin, to me known and known to me, who being duly sworn, did depose and say that he is the President of Escanaba and Lake Superior Railroad Company, a Michigan corporation, the corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the Board of Directors of said corporation, as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation.



Colleen Valencic
Notary Public, Delta County, MI
Acting in Delta County, MI
My Commission Expires: 01-01-2023

STATE OF MICHIGAN)
) ss.
COUNTY OF Delta)

On this 30 day of September, 2016, before me personally appeared Clay Peterson, to me known and known to me, who being duly sworn, did depose and say that he is the Senior Vice President of mBank, a Michigan banking corporation, the corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the Board of Directors of said corporation, as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation.



Colleen Valencic
Notary Public, Delta County, MI
Acting in Delta County, MI
My Commission Expires: 01-01-2023

DRAFTED BY AND WHEN RECORDED RETURN TO:

Thomas A. Pezzetti, Jr.

Brandt, Pezzetti, Vermetten & Popovits, PC

600 E. Front St., Ste. 102

Traverse City, MI 49686

(231) 929-3450

W:\Tom P\mBank\Escanaba Lake Superior Railroad\2016\Amend Mortgage Rolling Stock.docx

SCHEDULE 1

ELLIS & EASTERN COMPANY

Reporting Marks — EE

Uniform Alphanumeric and Numeric Code — EE - 279

GENERAL OFFICES: 1500 N. Sweetman Place, P.O. Box 84140, Sioux Falls, SD 57118 Phone: 605-357-6075; Fax: 605-367-3752

GENERAL OFFICERS

G. P. Sweetman, Chairman of the Board; Sioux Falls, SD 57118
 Clark Meyer, President; Sioux Falls, SD 57118

Pat Sweetman, Vice President; Sioux Falls, SD 57118
 Bill Schmidt, Operations Superintendent; Sioux Falls, SD 57118

Miles of Road: Operated, 13.5 Equipment: Locomotives — Diesel, 5.

Freight Cars Owned: None Tank Cars Owned: None

FREIGHT CONNECTIONS AND JUNCTION POINTS

BNSF Railway Company
 Sioux Falls, SD

D & I
 Sioux Falls, SD

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY

Reporting Marks — ELS

Uniform Alphanumeric and Numeric Code — ELS - 241

GENERAL OFFICES: One Larkin Plaza, P.O. Box 217, Wells, MI 49894 Phone: 906-786-0693; Fax: 906-786-8012; Email: elswells@up.net; Web: www.elsr.com

GENERAL OFFICERS

J. C. Larkin, President; Wells, MI 49894 Email: wells1@chartermi.net
 T. J. Klimek, Vice President Marketing; P.O. Box 85, Green Bay, WI 54305 Phone: 920-435-8006;
 Email: elsklimek@gmail.com
 H. A. Canull, Director of Accounting; Wells, MI 49894 Email: hoicanull@up.net

M. D. Logan, Vice President, Mechanical Car Fleet Operations; Wells, MI 49894 Email: mlogan@ednet.us
 R. C. Anderson, Supervisor Locomotive Engineers, Dispatcher; Wells, MI 49894
 Colleen Krauf, Manager Revenue Accounting; Wells, MI 49894
 D. J. Salminen, Data Processing Manager; Wells, MI 49894

Equipment: Locomotives — Diesel-Electric, 23.

FREIGHT EQUIPMENT

Cars are marked "ELS" and are numbered and classified as follows:

L 1 i o n o.	A.A.R. Mech. Desig.	DESCRIPTION	A.A.R. Car Type Code	NUMBERS	DIMENSIONS										CAPACITY Cubic Feet Level Full	GRL Lbs. (500)	No. of Cars		
					INSIDE			OUTSIDE					DOORS						
					Length	Width	Height	Length	Width	Height from Rail		Side							
ft. in.	ft. in.	ft. in.	ft. in.	ft. in.	ft. in.	To Extreme Width	To Eaves or Top of Sides or Platform	To Eaves or Top of Sides or Platform	To Eaves Height	Width of Open'g	Height of Open'g	ft. in.	ft. in.						
See Explanation Pages for Abbreviations & Symbols																			
ELS																			
1	PA	.....	C	M500	100	.....	.....	.....	79 08	10 01	10 01	13 05	13 05	.....	.....	.....	1
2	PA	.....	C	M500	1001	.....	.....	.....	85 00	10 00	10 00	08 05	12 00	13 06	.....	.....	1
3	FL	Flat	C	F273	5000-5032	70 01	08 06	.....	80 01	0	10 02	12 03	0	14 10	.....	263	33
4	FL	Flat	C	F273	5033-5035	70 01	08 06	.....	80 01	0	10 02	12 03	0	14 10	.....	263	3
5	FB	Flat	C	F241	5100-5107	52 08	09 04	.....	60 10	0	10 03	10 03	0	15 08	.....	220	8
6	FB	Flat	C	F241	5108-5113	52 08	09 11	.....	60 10	0	10 06	03 05	0	15 01	.....	220	6
7	FB	Flat	C	F141	5200-5211	52 08	09 04	.....	60 10	0	09 11	03 05	0	15 01	.....	220	10
8	FB	Flat	C	F241	5210	52 08	09 04	.....	60 10	0	09 11	03 05	0	15 01	.....	220	2
					5211														
9	FB	Flat	C	F141	5212-5214	52 08	09 04	.....	60 10	0	10 03	03 10	0	15 01	.....	220	3
10	FB	Flat	C	F241	5215-5221	52 08	09 04	.....	60 10	0	09 11	14 05	0	15 01	.....	220	4
11	FB	Flat	C	F241	5215	52 08	09 04	.....	60 10	0	10 03	08 07	0	15 01	.....	220	1
12	FB	Flat	C	F241	5220	52 08	09 04	.....	60 10	0	10 03	10 03	0	15 08	.....	220	1
13	FB	Flat	C	F241	5222-5229	52 08	09 11	.....	60 10	0	10 06	03 05	0	15 01	.....	220	3
14	FB	Flat	C	F241	5222	52 08	09 04	.....	60 10	0	09 11	14 05	0	15 01	.....	220	1
15	FB	Flat	C	F241	5225	52 08	09 04	.....	60 10	0	10 03	03 07	0	15 01	.....	220	3
					5228-5228														
16	FB	Flat	C	F141	5228	52 08	09 11	.....	60 10	0	10 06	03 05	0	15 01	.....	220	1
17	GBS	Gond.	C	E735	5000-5019	85 01	09 03	05 06	69 10	10 01	10 01	09 01	09 01	09 01	3313	220	4	
18	GB	Gond.	F	G614	5020	52 05	09 06	04 00	56 11	10 07	10 07	07 07	07 07	07 08	2000	263	1	
19	HTS	Gond.	F	K247	5060	73 03	09 11	09 11	16 01	16 01	16 01	7000	263	1	
20	XP	Box, SF	C	A405	11000-11001	50 07	09 02	10 01	59 04	10 02	10 06	04 06	14 07	15 00	10 06	10 00	4668	220	2
21	XM	Box, SF	C	B414	50603	50 06	09 06	11 02	57 03	09 07	10 08	10 03	14 10	15 06	10 00	10 04	5347	220	1
22	FB	Flat	C	F243	51704-51730	70 01	08 11	.....	80 01	0	09 09	03 06	0	14 11	.....	263	8
23	FB	Flat	C	F343	51711	70 01	08 11	.....	80 01	0	09 09	03 06	0	14 11	.....	263	3
					51725, 51734														
24	XM	Box, SF	C	B314	101000-101000	50 06	09 08	10 07	55 03	10 00	10 06	06 00	14 00	14 11	10 00	09 11	5077	220	96
25	XP	Box, SF	F	A302	207780	50 06	09 06	12 02	55 03	10 00	10 06	06 00	15 10	16 06	10 00	09 11	5837	220	1
26	FB	Flat	C	F243	973024	70 01	08 11	.....	80 01	0	09 09	03 06	0	14 11	.....	263	1
Total																	199		

Tank Cars Owned: None

SCHEDULE 1

II. DESCRIPTION OF THE LOCOMOTIVES AND THE RAILCARS

LOCOMOTIVES

A. Group 1 -- EMD Model SD9 Diesel Electric Locomotives

The Five (5) EMD Model SD9 Diesel Electric Locomotives are described as follows:

Manufacturer	General Motors Corporation Electro-Motive Division LaGrange, Illinois
Date Manufactured	1955; 1958
Horsepower	1750 HP
Road Numbers	ELS 1220 - ELS 1224, Inclusive
Number of Axes	6
Gear Ratio	62:18
Traction Motor Model Number	D47B; D57B; D67B; D77; D77B; D78
Approximate Loaded Weight	300,000 Lbs.
Air Brake Equipment	24RL
Dynamic Braking	Yes
Engine Model Number	16-567-C
Generator Model Number	D120
Auxiliary Generator	10 KW
Fuel Capacity	2400 Gallons
Retention Tank	No
Cab Heat	Hot Water
Toilet Facilities	Yes

Group 2 - EMD Model GP38 Diesel Electric Locomotives

The Two (2) EMD Model GP38 Diesel Electric Locomotives are described as follows:

Manufacturer	General Motors Corporation Electro-Motive Division. LaGrange, Illinois
Date Manufactured	1959; 1970
Horsepower	2000 HP
Road Numbers	ELS 400; ELS 402
Number of Axles	4
Gear Ratio	62:15
Traction Motor Model Number	D37B; D57B1; D77; D77B; D7E
Approximate Loaded Weight	250,000 Lbs.
Air Brake Equipment	2BL
Dynamic Braking	Yes
Engine Model Number	16-645-E
Generator Model Number	D32E1
Auxiliary Generator	10 kW-ELS 400; 16kW-ELS 400
Fuel Capacity	2000 Gallons-ELS 400; 3000 Gallons-ELS 402
Retention Tank	Yes - external
Cab Heat	ELS 400 - electric; ELS 402 hot water
Toilet Facilities	Yes

C, Group 3 - EMD Model SW8 Diesel Electric Locomotives

The Two (2) EMD Model SW8 Diesel Electric Locomotives are described as follows:

Manufacturer	General Motors Corporation Electro-Motive Division, LaGrange, Illinois
Date Manufactured	1952
Horsepower	600 HP
Road Numbers	ELS 1200; ELS 1201
Number of Axles	4
Gear Ratio	62:16
Traction Motor Model Number	D57B1; D77; D77B
Approximate Loaded Weight	230,000 Lbs.
Air Brake Equipment	6BL
Dynamic Braking	No
Engine Model Number	8-567-B
Generator Model Number	D16C
Auxiliary Generator	10 KW
Fuel Capacity	600 Gallons
Retention Tank	No
Cab Heat	Hot Water
Toilet Facilities	No

D. Group 4-FP7 Locomotive

The One (1) FP7 Locomotive is described as follows:

**Manufacturer..... General Motors Corporation
Electro-Motive Division
LaGrange, Illinois**

Date Manufactured..... 1953

Horsepower..... 1750 HP

Road Numbers..... ELS 600

Numbers of Axles..... 4

Gear Ratio..... 62:15

Traction Motor Model Number..... D27

Approximate Loaded Weight..... 258,000 lbs.

Air Brake Equipment..... 24RL

Dynamic Braking..... No

Engine Motor Number..... 16-567-C

Generator Model Number..... D12P

Auxiliary Generator..... 10KW

Fuel Capacity..... 1200 Gallons

Retention Tank..... No

Cab Heat..... Hot water

Toilet Facilities..... No

E. Group 5-F7 EMD Locomotives

The Three (3) F7 EMD Locomotives are described as follows:

Manufacturer..... General Motors Corporation
Electro-Motive Division
LaGrange, Illinois

Date Manufactured..... 1949

Horsepower..... 1500 HP

Road Numbers..... MRAX 106; MRAX 102B; MRAX 901

Numbers of Axles..... 4

Gear Ratio..... 62:15

Traction Motor Model Number..... D27C

Approximate Loaded Weight..... 230,000 lbs.

Air Brake Equipment..... 24RL

Dynamic Braking..... No

Engine Motor Number..... 16-567BC

Generator Model Number..... D11B

Auxiliary Generator..... 10KW

Fuel Capacity..... 1200 Gallons

Retention Tank..... No

Cab Heat..... Hot water

Toilet Facilities..... No

F. Group 6-SD40-2 Locomotives

The Two (2) SD40-2 Locomotives are described as follows:

Manufacturer..... General Motors Corporation
Electro-Motive Division
LaGrange, Illinois

Date Manufactured..... 1978

Horsepower..... 3000 HP

Road Numbers..... ELS 500; ELS 501

Numbers of Axles..... 6

Gear Ratio..... 62:15

Traction Motor Model Number..... D77B

Approximate Loaded Weight..... 368,000 lbs.

Air Brake Equipment..... 26L

Dynamic Braking..... Yes

Engine Motor Number..... 645E3

Generator Model Number..... AR10A7

Auxiliary Generator..... 18KW

Fuel Capacity..... 4000 Gallons

Retention Tank..... No

Cab Heat..... Electric

Toilet Facilities..... Yes

G. Group 7-Baldwin RS12 Locomotive

The One (1) Baldwin RS12 Locomotive is described as follows:

Manufacturer..... Baldwin Lima Hamilton
Date Manufactured..... 1947
Horsepower..... 1200 HP
Road Numbers..... ELS 300.
Numbers of Axles..... 4
Gear Ratio..... 68:14
Traction Motor Model Number..... WE362
Approximate Loaded Weight..... 266,000 lbs.
Air Brake Equipment..... 26L
Dynamic Braking..... No
Engine Motor Number..... 606SC
Generator Model Number..... WE480
Auxiliary Generator..... 10KW
Fuel Capacity..... 650 Gallons
Retention Tank..... No
Cab Heat..... Electric
Toilet Facilities..... No