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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)
ROBERT W. ALVORD (2011)

October 21, 2013

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 7, 2013, 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: First Niagara Bank, N.A.
716 Hoosick Road # 2
Troy, NY 12180

Debtor: LR Rail Services, LLC
2730 Transit Road
West Seneca, NY 14224

Chief
Section of Administration
October 21, 2013
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A description of the railroad equipment covered by the enclosed document is:

43 gondola railcars within the series REGX 6800 – REGX 6854 as 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 \$44.00 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,



Edward M. Luria

EML/sem
Enclosures

MEMORANDUM OF SECURITY AGREEMENT

dated as of October 7, 2013

by and among

LR RAIL SERVICES, LLC
as Debtor

and

FIRST NIAGARA BANK, N.A.
as Secured Party

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. §11301
on October²¹, 2013, at 4:30 p.m.

MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT is made and entered into as of October 7, 2013, by and among FIRST NIAGARA BANK, N.A., its successors and assigns ("Secured Party") and LR RAIL SERVICES, LLC, its successors and assigns ("Debtor"), with reference to the following:

1. Secured Party has agreed to make a loan to Debtor, and Debtor has agreed to give Secured Party a security interest in those certain rail cars described on Schedule A attached hereto.

All of such rail cars are more fully described in that certain Security Agreement dated as of October 7, 2013 (together with all of the riders, schedules and other attachments thereto, collectively, the "Security Agreement"), by and between Secured Party and Debtor, as amended.

2. The Security Agreement is in full force and effect as of the date hereof and shall be subject to the terms specified in the Security Agreement.

This Memorandum of Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Security Agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be duly executed as of the date first above written.

Secured Party:

FIRST NIAGARA BANK, N.A.

By: 
Name: Michael A. Dewitt
Title: Vice President

Debtor:

LR RAIL SERVICES, LLC

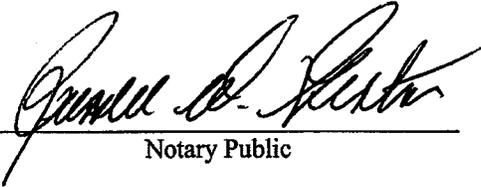
By: _____
Lawrence Reger, Manager

[Memorandum of Security Agreement – Signature Page]

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 13th day of September, in the year 2013, before me, the undersigned, a notary public in and for said state; personally appeared Michael A. Dewitt, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

RUSSELL W. GENTNER
No. 01GE4794756
Notary Public, State of New York
Qualified in Erie County
My Commission Expires April 30, 2015



Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the ___ day of _____, in the year 2013, before me, the undersigned, a notary public in and for said state; personally appeared Lawrence Reger, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Memorandum of Security Agreement – Notary Page]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be duly executed as of the date first above written.

Secured Party:

FIRST NIAGARA BANK, N.A.

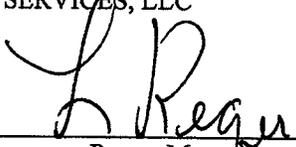
By: _____

Name: Michael A. Dewitt

Title: Vice President

Debtor:

LR RAIL SERVICES, LLC

By:  _____
Lawrence Reger, Manager

[Memorandum of Security Agreement – Signature Page]

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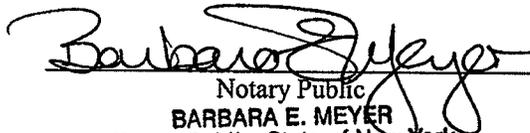
STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the ___ day of _____, in the year 2013, before me, the undersigned, a notary public in and for said state; personally appeared Michael A. Dewitt, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF Erie)

On the 25th day of September, in the year 2013, before me, the undersigned, a notary public in and for said state; personally appeared Lawrence Reger, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.


Notary Public
BARBARA E. MEYER
Notary Public, State of New York
Qualified in Erie County
Reg. No. 01ME4850838
My Commission Expires Jan. 20, 2014

[Memorandum of Security Agreement – Notary Page]

SCHEDULE A

TO MEMORANDUM OF SECURITY AGREEMENT

DESCRIPTION OF RAILCARS AND REPORTING MARKS

DESCRIPTION	CAR MARK	CAR NOS.
Forty-three (43) 100-ton, 286,000 lbs. gross rail load, 6,800 cubic feet hi-sided gondolas, steel bodied, manufactured by Ebenezer Rail Car Services, Inc. between 2004 and 2005	REGX	6800, 6801, 6802, 6803, 6804, 6805, 6806, 6807, 6808, 6809, 6811, 6812, 6814, 6815, 6820, 6821, 6823, 6824, 6825, 6828, 6826, 6827, 6829, 6830, 6831, 6835, 6834, 6832, 6833, 6836, 6837, 6838, 6842, 6843, 6844, 6845, 6846, 6849, 6850, 6851, 6852, 6853 and 6854

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: 10/21/13

Edward M Luria
Edward M. Luria