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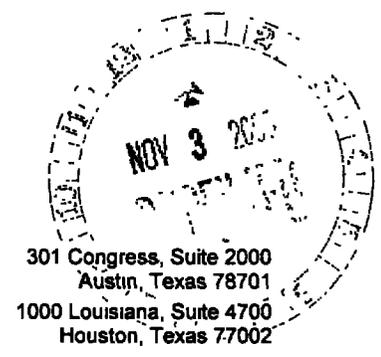
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KELLY HART & HALLMAN LLP

201 MAIN STREET, SUITE 2500
FORT WORTH, TEXAS 76102

SURFACE TRANSPORTATION BOARD

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October 23, 2008

Surface Transportation Board
Attn: Secretary
395 E. Street SW
Washington, DC 20423

DOCUMENTS FOR RECORDATION

Dear Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) verified copies of a Memorandum of Security Agreement, dated as of October 22, 2008.

The names and addresses of the parties to the enclosed documents are:

Debtor: Everest Railcar Services Inc.
1391 Plaza Place, Suite C
Springdale, AR 72764

Secured Party: Sterling Bank
201 Main Street Suite 1300
Fort Worth, Texas 76102

A description of the railroad equipment covered by the enclosed documents is twelve (12) railcars bearing car numbers CAGY 2280-2289 and CAGY 2298-2299, inclusive.

Enclosed is a check in the amount of \$42.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Please return a stamped copy of one of the enclosed documents to:

Daniel L. Lowry
Kelly Hart & Hallman LLP
201 Main Street, Suite 2500
Fort Worth, Texas 76102

Very truly yours,

Daniel L. Lowry

Enclosures

MEMORANDUM OF SECURITY AGREEMENT SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT, dated as of October 22, 2008, by and between STERLING BANK ("Secured Party") and EVEREST RAILCAR SERVICES, INC., an Arkansas corporation ("Debtor"), is made with reference to the following:

1. Secured Party has agreed to make available to Borrower a loan secured under that certain Security Agreement, dated as of the date hereof (the "Security Agreement"), executed by Debtor for the benefit of Secured Party.

2. Pursuant to the Security Agreement, Debtor granted to Secured Party a security interest in all of Debtors' right, title and interest in and to inventory consisting of twelve (12) railcars bearing car numbers CAGY 2280-2289 and CAGY 2298-2299, inclusive, and all replacements, exchanges and substitutions for, and all modifications, additions, attachments, accessories and accessions to, all or any of such railcars, together with all leases and utilization agreements with respect to such railcars and all rents and other amounts payable thereunder or in connection therewith and all chattel paper, accounts and security deposits relating thereto, and all records relating in any way to the foregoing (including, without limitation, any computer software, whether on tape, disk, card, strip, cartridge or any other form).

3. The Security Agreement shall be effective as of the date hereof.

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.

IN WITNESS WHEREOF, each of the parties hereto has caused this memorandum of Security Agreement to be executed by its duly authorized officer as of the date first above written.

SECURED PARTY:

DEBTOR:

STERLING BANK

EVEREST RAILCAR SERVICES, INC.

By: Ron Schneider
 Name: RON SCHNEIDER
 Title: MARKET CEO

By: Steven J. Hendricks
 Steven J. Hendricks, President

STATE OF TEXAS)
) ss:
COUNTY OF TARRANT)

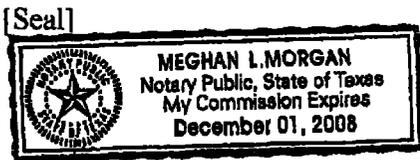
On October 02, 2008, before me Meghan Morgan Notary Public, personally appeared Steven J. Hendricks, to me personally who being by me duly sworn, says that he is an authorized representative of Everest Railcar Services, Inc, that the forgoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his/her free act and deed.



Meghan L. Morgan
Notary Public
My commission expires: 12-01-2008

STATE OF TEXAS)
) ss:
COUNTY OF TARRANT)

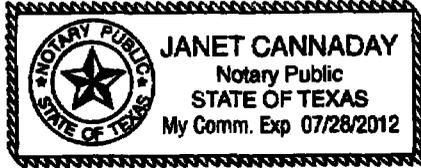
On October 02, 2008, before me Meghan Morgan Notary Public, personally appeared Ron Schneider, to me personally who being by me duly sworn, says that he is an authorized representative of Sterling Bank, that the forgoing instrument was signed on behalf of said bank, and he acknowledged that the execution of the said instrument was his free act and deed.



Meghan L. Morgan
Notary Public
My commission expires: 12-01-2008

VERIFICATION OF TRUE COPY

The undersigned Notary Public in and for the State of Texas has compared the copy of that certain Memorandum of Security Agreement attached hereto with the original thereof and has found the copy to be complete and identical in all respects to the original document.



Janet A. Cannaday

Notary Public – State of Texas