

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

RECORDATION NO. 23322 FILED

JAN 10 '01 11-29 AM

TS
SURFACE TRANSPORTATION BOARD

lgitomer@bjllp.com

January 10, 2001

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed three originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement, a primary document, dated as of January 10, 2001. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Security Agreement are:

Secured Party:

First Citizens National Bank
P.O. Box 370
Dyersburg, TN 38025

Debtor:

SCTRR, LLC
11 East Church Street
Sea Bright, NJ 07760

A description of the equipment covered by the Memorandum of Security Agreement consists of one GP-35M locomotive numbered SCTR 3840, two GP-9 locomotives numbered SCTR 900 and 174, one GP-20 locomotive numbered SCTR 483, and one SW-1200 locomotive numbered 121, and **all now owned or hereafter acquired property.**

BALL JANIK LLP

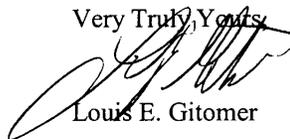
Honorable Vernon A. Williams
January 10, 2001
Page 2

A fee of \$ 27.00 is enclosed. Please return two originals to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Security Agreement between First Citizens National Bank, P.O. Box 370, Dyersburg, TN 38025, and SCTRR, LLC, 11 East Church Street, Sea Bright, NJ 07760, covering one GP-35M locomotive numbered SCTR 3840, two GP-9 locomotives numbered SCTR 900 and 174, one GP-20 locomotive numbered SCTR 483, and one SW-1200 locomotive numbered 121, and **all now owned or hereafter acquired property.**

Very Truly, Yours



Louis E. Gitomer

Enclosures

RECORDATION NO. 23322 FILED

JAN 10 '01 11-29 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

Between

FIRST CITIZENS NATIONAL BANK (Secured Party)

and

SCTRR, LLC (Debtor)

MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement, made and entered into as of January 10, 2001, is by and between FIRST CITIZENS NATIONAL BANK, P. O. Box 370, Dyersburg, Tennessee 38025, ("Secured Party"), and SCTRR, LLC ("Debtor"), a Tennessee Limited Liability Company with its principal place of business at 11 East Church St., Sea Bright, New Jersey 07760.

WITNESSETH:

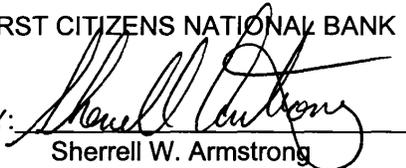
Secured Party and Debtor have entered into that certain Security Agreement dated as of January 10, 2001, (the Security Agreement, as it has heretofore and may hereafter be amended, modified, supplemented or restated from time to time, being hereafter called the "Security Agreement"), which is incorporated by reference herein, pursuant to which, among other things, Debtor has granted a lien and security interest in certain locomotives, bearing road numbers as listed in the Exhibit attached hereto and in all now owned or hereafter acquired property as more particularly set forth in the Security Agreement in order to secure the performance of the Debtor's obligations under that certain Loan Agreement dated as of January 10, 2001.

This Memorandum of Security Agreement may be executed by the parties in any number of counterparts, each executed counterpart constituting an original but altogether one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their respective officers duly authorized as of the date and year first above written.

SECURED PARTY:

FIRST CITIZENS NATIONAL BANK

BY: 
Sherrell W. Armstrong
Vice-President

RECORDATION NO. 23322 FILED

JAN 10 '01 11-29 AM

SURFACE TRANSPORTATION BOARD

DEBTOR:

SCTRR, LLC

BY: 
Henry G. Hohorst
Manager

STATE OF TENNESSEE

COUNTY OF DYER

On this 9th day of January, 2001, before me personally appeared Sherrell W. Armstrong, to me personally known, who, being by me duly sworn, says that he is Vice-President of FIRST CITIZENS NATIONAL BANK, that he is duly authorized to sign the foregoing instrument on behalf of FIRST CITIZENS NATIONAL BANK, and acknowledged that the execution of the foregoing instrument was the free act and deed of FIRST CITIZENS NATIONAL BANK.


Notary Public

My Commission Expires: 10-21-03

STATE OF TENNESSEE

COUNTY OF DYER

On this 9th day of January, 2001, before me personally appeared Henry G. Hohorst, to me personally known, who, being by me duly sworn, says that he is the Manager of SCTRR, LLC, that he is duly authorized to sign the foregoing instrument on behalf of SCTRR, LLC, and acknowledged that the execution of the foregoing instrument was the free act and deed of SCTRR, LLC.


Notary Public

My Commission Expires: 10-21-03

EXHIBIT
TO

MEMORANDUM OF SECURITY AGREEMENT BETWEEN
FIRST CITIZENS NATIONAL BANK AND SCTRR, LLC

<u>Model</u>	<u>Current Car Mark</u>	<u>Transit ID Number</u>
GP 35M	MNA	3840
GP 9	VSRR	900
GP 9	VSRR	174
GP 20	MNA	483
SW 1200		121

SCTRR, LLC is purchasing these locomotives. After closing SCTRR, LLC intends to change the car marks on these locomotives as follows:

<u>Model</u>	<u>Car Mark</u>	<u>Transit ID Number</u>
GP 35M	SCTR	3840
GP 9	SCTR	900
GP 9	SCTR	174
GP 20	SCTR	483
SW 1200		121