RECORDATION NO. 23719 FILED

OCT 24 '01 2-54 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

October 24, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Railcar Security Agreement datedas of September 28, 2001, 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:

Borrower:	MRC Rail Services. LLC One California Street Suite 1500 San Francisco, CA 94111
Secured Party:	The Sanwa Bank Limited 55 East 52nd Street New York, NY 10055

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

Description	Number of Cars	Marks	Car Numbers
6,221 c.f. capacity covered hopper railcars	160	FPAX	200475, 200530-200547, inclusive, 200549-200590, inclusive, 200592-200639, inclusive, 201188, 201285, 201287, 201289, 201291-201336, inclusive, and 201338

A short summary of the document to appear in the index follows:

Memorandum of Railcar Security Agreement.

Also enclosed is a check in the amount of $28.00 payable to the order of the Surface Transportation Board covering the required recordation fee and cross-indexing fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

This Memorandum of Railcar Security Agreement is made and entered into as of September 28 2001, by and between THE SANWA BANK LIMITED, New York Branch (hereinafter referred to as the "Bank") and MRC RAIL SERVICES, LLC (hereafter referred to as the "Borrower").

The Borrower has requested the Bank to make a loan to the Borrower, pursuant to a Master Promissory Note, between the Bank and the Borrower, dated August 4, 2000 (the "Master Promissory Note") setting forth the terms and conditions of such loan;

As consideration for a loan which has been made to the Borrower pursuant to and as evidenced by the Master Promissory Note, the Borrower has executed the Pledge and Security Agreement with the Bank on September 28, 2001 (the "Security Agreement") and granted to the Bank a security interest in all of the following property now owned or at any time hereafter acquired by the Borrower or in which the Borrower now has or at any time in the future may acquire any right, title or interest:

(1) the railcars described on Schedule I attached hereto (the "Equipment", any railcars comprising the Equipment shall be referred to as the "Car"), together with (i) any replacement substituted for any Car, (ii) all parts of any Car except for loading devices or any accessories provided by lessee or other user of any Car or any other party other than the Borrower, (iii) all logs, manuals and data and inspection, modification and maintenance records maintained in respect of the Equipment, including, without limitation, all such logs, manuals, data and records required to be maintained by any applicable regulatory agency of body of any jurisdictions, and (iv) all property insurance policies relating to the Equipment purchased by the Borrower, the lessee or other user of the Equipment;

(2) all of the rights, powers, privileges, remedies and other benefits of the Borrower in, to and under any and all contracts, agreements and instruments with the manufacturers or vendors of any of the Equipment, including, without limitation, the right to enforce warranties and to receive, to collect all payments in respect thereof, and to commence, conduct and consummate legal, administrative or other proceedings, as shall be permitted thereby or by law;

(3) all property insurance and requisition proceeds with respect to the Equipment or any part thereof; and

(4) all other proceeds of any of the foregoing.

As contemplated by the Security Agreement, the Bank and the Borrower hereby make this Memorandum of Railcar Security Agreement to confirm and perfect the Bank's security

interest in the Equipment. The Bank and Debtor further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, the Bank and the Borrower agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

IN WITNESS WHEREOF, each of the parties thereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

BANK:
THE SANWA BANK LIMITED

Name: Takaharu Togawa
Title: Vice President

BORROWER:
MRC RAIL SERVICES, LLC

Name: Michihiro Mose
Title: President

SCHEDULE 1

TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

DATED SEPTEMBER 28, 2001

Description	Number of Cars	Marks	Car Numbers
6,221 c.f. capacity covered hopper railcars	160	FPAX	200475, 200530-200547, inclusive, 200549-200590, inclusive, 200592-200639, inclusive, 201188, 201285, 201287, 201289, 201291-201336, inclusive, and 201338

STATE OF NEW YORK)
COUNTYOF NEW YORK):SS

On this 11TH day of OCTOBER 2001, before me personally appeared Takaharu Togawa to me personally known, who being duly sworn, says that he is a Vice President of THE SANWA BANK LIMITED, NEW YORK BRANCH, a Japanese corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

RENKO HARA
Notary Public, State of New York
No. 60-4727038
Qualified in Westchester County
Commission Expires July 31, 19.. 2002

My Commission Expires:

STATE OF California)
COUNTY OF San Francisco) :SS

On this 16th day of October, 2001, before me personally appeared Michihiro Nose to me personally known, who being by me duly sworn, says that he is a President of MRC RAIL SERVICES, LLC, a Delaware limited liability company, that said instrument was signed on behalf of said company by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Notary Public

[NOTARIAL SEAL]

My Commission expires:

SHIRLYN J. S. KIM
Commission # 1255716
Notary Public - California
San Francisco County
My Comm. Expires Mar 25, 2004

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