



CORPORATION SERVICE COMPANY

RECORDATION NO. 25130 FILED

AUG 10 '04

2-34 PM

SURFACE TRANSPORTATION BOARD



August 9, 2004

Barbara Saddler  
Surface Transportation Board  
Recordation Office  
1925 K Street, N.W., Suite 70  
Washington D.C. 20423

RE: 128429-1

Dear Barbara,

Enclosed are two (2) originals of the **Memorandum of Railcar Lease** dated as of July 22, 2004 between the following parties:

Names and address of the following parties:

Lessor: **CITICORP NORTH AMERICA, INC.**  
390 Greenwich Street New York, NY 10013

Lessee: **OLD AUGUSTA RAILROAD, LLC**  
134 Buck Creek Road New Augusta, MS 39462

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

Memorandum of Railcar Lease between Lessor: **CITICORP NORTH AMERICA, INC.** and Lessee: **OLD AUGUSTA RAILROAD, LLC**, covering 2 locomotives with reporting marks and numbers: OAR 100 and OAR 200- NOT INCLUSIVE.

Please file this memorandum as a **PRIMARY** document and return one (1) stamped original to my attention. A check covering the filing fee of thirty dollars (\$30.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-995-5071 ext. 3813.

Thank you for your prompt assistance.

Sincerely,

April O'Shea  
Motor Vehicle Specialist  
Enclosure

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**SHORT-FORM SECURITY AGREEMENT SURFACE TRANSPORTATION BOARD**

SECURITY AGREEMENT, dated as of July 22, 2004, by Old Augusta Railroad, LLC (the "Company") in favor of CITICORP NORTH AMERICA, INC., in its capacity as collateral agent pursuant to the Credit Agreement (as defined in the Security Agreement, defined below), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

WHEREAS, the Company has, pursuant to that certain security agreement dated as of May 7, 2004 (the "Security Agreement"; capitalized terms used but not defined herein having the meanings assigned to such terms in the Security Agreement), made by KOCH CELLULOSE, LLC, a Delaware limited liability company (the "Borrower") and THE SUBSIDIARY GUARANTORS PARTY THERETO (the "Subsidiary Guarantors") and the Collateral Agent (as defined in the Credit Agreement), as pledgors, assignors and debtors (the Borrower, together with the Subsidiary Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of the Collateral Agent, granted to the Collateral Agent for the benefit of the Secured Parties a security interest in and to all of the right, title and interest of such Pledgor, in, to and under the Collateral, including with respect thereto, the rolling stock listed on Schedule A, attached hereto, as collateral security for the payment and performance in full when due of the Obligations; and

WHEREAS, the Company and the Collateral Agent wish to further memorialize the security interest described above as it relates to the rolling stock identified in Schedule A, and incorporated herein by this reference, and all other rights appurtenant thereto, including but not limited to, all proceeds thereof.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company hereby grants unto the Collateral Agent a security interest in and lien on in all of its right, title and interest in the rolling stock identified in Schedule A, as collateral security for the payment and performance in full when due of the Obligations.

*(Signature page follows)*

IN WITNESS WHEREOF, this Security Agreement has been executed and sealed by the Company as of the date first written on page 1 hereof.

OLD AUGUSTA RAILROAD, LLC

By: *Patrick J. Boushka*  
Name: *Patrick J. Boushka*  
Title: *Manager*

Signed, sealed and delivered in the presence of:

Unofficial Witness  
*[Signature]*

Notary Public:  
*Sharon K. Wise*

My Commission Expires:  
*June 2, 2008*

[AFFIX NOTARIAL SEAL]



[CORPORATE SEAL]

The address and federal tax identification number of the Company are:

134 Buck Creek Road  
New Augusta, MS 39462  
Federal Tax No. 83-0389202

The address of the Collateral Agent is (including county):

390 Greenwich Street  
New York, New York 10013  
New York (Manhattan) County

Accepted and Agreed to:

CITICORP NORTH AMERICA, INC.

By: *Suzanne Crymes*

Name: SUZANNE CRYMES  
Title: Vice President

SCHEDULE A  
to  
SHORT-FORM SECURITY AGREEMENT

**Rolling Stock**

Type of Equipment (locomotive, railcar, etc.)	Number of Each Type	A.A.R. Mechanical Designation	Identifying Marks (lessee, mortgagee, vendee, etc.)	Road or Serial Number
Locomotive	1	N/A	OAR 100	S/N 52E121
Locomotive	1	N/A	OAR 200	S/N 81C-112