

RECORDATION NO. 25175 FILED

AUG 31 '04 11-12 AM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

August 30, 2004

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 two (2) copies of a Memorandum of Railcar Security Agreement, dated as of August 25, 2004, 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:

Bank: UFJ Bank Limited, New York Branch  
55 East 52nd Street  
New York, NY 10055

Borrower: Mitsui Rail Capital, LLC  
5215 Old Orchard Road  
Suite 505  
Skokie, Illinois 60077

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

236 autoflood coal hopper cars: MBKX 3001 – MBKX 3240 (except MBKX 3069 and MBKX 3072 – MBKX 3074).

160 covered hopper cars within the series FPAX 200475 - FPAX 201338 as more particularly set forth in the equipment schedule attached to the document.

236 autoflood coal hopper cars: MBKX 3001 – MBKX 3240 (except MBKX 3069 and MBKX 3072 – MBKX 3074).

215 hopper cars: MBKX 82149 - MBKX 82363.

85 hopper cars within the series MBKX 1001 – MBKX 1100 as more particularly set forth on the schedule attached to the document.

120 gondola cars: MBKX 44861 - MBKX 44980.

100 gondola cars: MBKX 45001 - MBKX 45100.

123 hopper cars: MBKX 99001 – MBKX 99125 (except MBKX 99070 and MBKX 99085).

200 Bethgon Coalporter railcars: PSTX 7001 – PSTX 7204, except PSTX 7029, PSTX 7037, PSTX 7084 and PSTX 7176.

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

Memorandum of Railcar Security Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alvord", written in black ink.

Robert W. Alvord

RWA/anm  
Enclosures

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## MEMORANDUM OF RAILCAR SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Memorandum of Railcar Security Agreement is made and entered into as of August 25, 2004, by and between UFJ BANK LIMITED, New York Branch (hereinafter referred to as the "Bank") and MITSUI RAIL CAPITAL, LLC (hereafter referred to as the "Borrower").

The Borrower has requested the Bank to make loans to the Borrower, pursuant to a Credit Agreement, between the Bank and the Borrower dated as of March 26, 2004 (the "Credit Agreement") setting forth the terms and conditions of such loans;

As a condition precedent to the Bank's obligation to make loans under the Credit Agreement, the Bank has required the Borrower to execute a Pledge and Security Agreement with the Bank dated as of August 25, 2004 (the "Security Agreement") and to grant 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 1 attached hereto and made a part hereof and any additional railcar from time to time listed in a supplement to the Security Agreement hereafter executed and delivered by the Bank and the Borrower, including any replacement substituted for any railcar described in any such supplement (the "Equipment"), together with (i) all parts of any Equipment except for loading devices or any accessories provided by lessee or other user of any Equipment or any other party other than the Borrower, (ii) 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 (iii) 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 Borrower 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 authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

BANK:  
UFJ BANK LIMITED

*Y. Kitani*

Name: Yasuo Kitani  
Title: Deputy General Manager

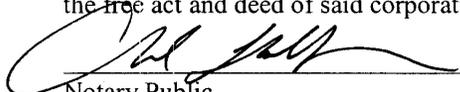
BORROWER:  
MITSUBISHI RAIL CAPITAL, LLC

*Yasushi Imai*

Name: Yasushi Imai  
Title: President

STATE OF New York )  
COUNTY OF New York ):SS

On this 26th day of August, 2004, before me personally appeared Yasuo Kitani to me personally known, who being duly sworn, says that he is a Deputy Genl Mgr. of UFJ 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]

CHARLES W. LEWELLYN  
Notary Public, State of New York  
No. 02LL6041892  
Qualified in New York County  
Commission Expires May 15, 2006

My Commission Expires 5/15/06

STATE OF ILLINOIS )  
COUNTY OF COOK ):SS

On this 27<sup>th</sup> day of AUGUST 2004, before me personally appeared YASUSHI IMAI to me personally known, who being by me duly sworn, says that he is a PRESIDENT of MITSUI RAIL CAPITAL, 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 corporation.

  
Notary Public  
[NOTARIAL SEAL]



My Commission Expires 6/24/06

SCHEDULE 1

TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

Description	Number of Cars	Marks	Car Numbers
6221 c. f. capacity covered hopper railcars	160	FPAX	200475, 200530-200547, 200549-200590, 200592-200639, 201188, 201285, 201287, 201289, 201291-201336, 201338
Aluminum Autoflood III Coal Hoppers	236	MBKX	3001-3068, 3070-3071, 3075-3240
3281 cubic foot capacity covered hopper cars	215	MBKX	82149-82363
2580 cubic foot capacity, three pocket aggregate hopper cars	85	MBKX	1001-1013, 1015-1017, 1019-1025, 1027-1031, 1034-1037, 1040-1044, 1046-1052, 1054-1061, 1063-1064, 1066-1075, 1078-1089, 1092-1100
4520 cubic foot aluminum coal gondolas cars	220	MBKX	44861-44980, 45001-45100
2580 cubit foot three pocket Open Top Hoppers	123	MBKX	99001-99069, 99071-99084, 99086-99125
Bethgon Coalporter railcars	200	PSTX	7001-7028, 7030-7036, 7038-7083, 7085-7175, 7177-7204