RECORDATION NO. 18076-D FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF
SECURITY AGREEMENT

This Memorandum of Security Agreement is made and entered into as of this 30th day of September, 2004, by and between Southern Rail Associates, Inc., a Florida corporation ("Lessor") and Wells Fargo Equipment Finance, Inc., a Minnesota corporation ("Lender").

WITNESSETH

1. Lessor has agreed to grant Lender a security interest in that certain Schedule No. 1 dated December 4, 1992 to Equipment Lease dated December 4, 1992 between Lessor and BC Rail, Ltd., as Lessee as amended (the Lease") and all Equipment thereunder. Equipment more specifically described on Schedule "A" attached hereto.

2. This Memorandum of Security Agreement shall be effective as of the date set forth below and shall be subject to the Lease Term, as defined in the Lease.

This Memorandum of Security Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same document and all signatures need not appear on the same page.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be executed and delivered by their duly authorized representatives as of the date set forth above, and shall be effective as of _____.

Southern Rail Associates, Inc.	Wells Fargo Equipment Finance, Inc.
By: Walt Salm	By:
Its: PRESIDENT	Its:

MEMORANDUM OF
SECURITY AGREEMENT

This Memorandum of Security Agreement is made and entered into as of this 28th day of September, 2004, by and between Southern Rail Associates, Inc., a Florida corporation ("Lessor") and Wells Fargo Equipment Finance, Inc., a Minnesota corporation ("Lender").

WITNESSETH

1. Lessor has agreed to grant Lender a security interest in that certain Schedule No. 1 dated December 4, 1992 to Equipment Lease dated December 4, 1992 between Lessor and BC Rail, Ltd., as Lessee as amended (the Lease") and all Equipment thereunder. Equipment more specifically described on Schedule "A" attached hereto.

2. This Memorandum of Security Agreement shall be effective as of the date set forth below and shall be subject to the Lease Term, as defined in the Lease.

This Memorandum of Security Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same document and all signatures need not appear on the same page.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be executed and delivered by their duly authorized representatives as of the date set forth above, and shall be effective as of _____.

Southern Rail Associates, Inc.	Wells Fargo Equipment Finance, Inc.
By: _____	By: [illegible]
Its: _____	Its: AVP

STATE OF MINNESOTA
COUNTY OF HENNEPIN

On this 28th day of September, 2004 before me personally appeared, Jacqueline P. Burrigan to me personally known, who being by me duly sworn, says that s/he is the AVP of Wells Fargo Equipment Finance, Inc., a Minnesota corporation, that said instrument was signed on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

PATTI H. DEYOUNG
Notary Public
Minnesota
My Commission Expires January 31 2005

Patti H. DeYoung
Notary Public

My commission expires: 1/31/2005

STATE OF _____
COUNTY OF _____

On this _____ day of _____, 200__ before me personally appeared, _____ to me personally known, who being by me duly sworn, says that s/he is the _____ of _____, a(n) _____ corporation , that said instrument was signed on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

_____
Notary Public

My commission expires: _____

STATE OF MINNESOTA
COUNTY OF HENNEPIN

On this _____ day of _____, 200__ before me personally appeared, _____ to me personally known, who being by me duly sworn, says that s/he is the _____ of Wells Fargo Equipment Finance, Inc., a Minnesota corporation, that said instrument was signed on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

_____
Notary Public

My commission expires: _____

STATE OF FL
COUNTY OF Lee

On this 29th day of Sept, 2004 before me personally appeared, Walter Ballard to me personally known, who being by me duly sworn, says that s/he is the President of Southern Rail, a(n) Florida corporation , that said instrument was signed on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

CHRISTINE M. WEAVER
MY COMMISSION # DD 064948
EXPIRES: February 13, 2006
Bonded Thru Notary Public Underwriters

Notary Public

My commission expires: 2/13/6

DESCRIPTION OF RAILCARS

One-hundred eighty-nine (189) 71 ft. 100-ton center beam bulkhead flatcars originally built in 1984 bearing car marks and numbers as follows:

	CAR INITIAL	*CAR NUMBER*
1.	BCIT	871000
2.	BCIT	871001
3.	BCIT	871002
4.	BCIT	871003
5.	BCIT	871004
6.	BCIT	871006
7.	BCIT	871007
8.	BCIT	871008
9.	BCIT	871009
10.	BCIT	871010
11.	BCIT	871011
12.	BCIT	871012
13.	BCIT	871013
14.	BCIT	871014
15.	BCIT	871018
16.	BCIT	871019
17.	BCIT	871020
18.	BCIT	871021
19.	BCIT	871022
20.	BCIT	871024
21.	BCIT	871025
22.	BCIT	871026
23.	BCIT	871027
24.	BCIT	871028
25.	BCIT	871029
26.	BCIT	871031
27.	BCIT	871032
28.	BCIT	871035
29.	BCIT	871036
30.	BCIT	871037
31.	BCIT	871038
32.	BCIT	871039
33.	BCIT	871040
34.	BCIT	871041
35.	BCIT	871042
36.	BCIT	871043
37.	BCIT	871044
38.	BCIT	871045
39.	BCIT	871046
40.	BCIT	871047

	CAR INITIAL	CAR NUMBER
176.	BCIT	871245
177.	BCIT	871246
178.	BCIT	871247
179.	BCIT	871248
180.	BCIT	871249
181.	BCIT	871250
182.	BCIT	871251
183.	BCIT	871252
184.	BCIT	871253
185.	BCIT	871254
186.	BCIT	871255
187.	BCIT	871257
188.	BCIT	871258
189.	BCIT	871259

Two (2) 73 ft. 100-ton center beam bulkhead flatcars originally built no earlier than 1986 bearing car marks and numbers as follows:

1.	BCIT	873950
2.	BCIT	873951

	CAR INITIAL	CAR NUMBER
41.	BCIT	871049
42.	BCIT	871050
43.	BCIT	871051
44.	BCIT	871052
45.	BCIT	871053
46.	BCIT	871054
47.	BCIT	871055
48.	BCIT	871056
49.	BCIT	871057
50.	BCIT	871058
51.	BCIT	871059
52.	BCIT	871060
53.	BCIT	871062
54.	BCIT	871063
55.	BCIT	871064
56.	BCIT	871065
57.	BCIT	871066
58.	BCIT	871067
59.	BCIT	871068
60.	BCIT	871069
61.	BCIT	871070
62.	BCIT	871072
63.	BCIT	871074
64.	BCIT	871075
65.	BCIT	871076
66.	BCIT	871077
67.	BCIT	871078
68.	BCIT	871081
69.	BCIT	871082
70.	BCIT	871083
71.	BCIT	871085
72.	BCIT	871086
73.	BCIT	871087
74.	BCIT	871088
75.	BCIT	871089
76.	BCIT	871090
77.	BCIT	871091
78.	BCIT	871092
79.	BCIT	871093
80.	BCIT	871095
81.	BCIT	871096
82.	BCIT	871097
83.	BCIT	871099
84.	BCIT	871100
85.	BCIT	871101

	CAR INITIAL	CAR NUMBER
86.	BCIT	871102
87.	BCIT	871103
88.	BCIT	871105
89.	BCIT	871106
90.	BCIT	871107
91.	BCIT	871108
92.	BCIT	871109
93.	BCIT	871110
94.	BCIT	871111
95.	BCIT	871112
96.	BCIT	871113
97.	BCIT	871114
98.	BCIT	871115
99.	BCIT	871116
100.	BCIT	871117
101.	BCIT	871118
102.	BCIT	871119
103.	BCIT	871120
104.	BCIT	871121
105.	BCIT	871122
106.	BCIT	871123
107.	BCIT	871124
108.	BCIT	871125
109.	BCIT	871126
110.	BCIT	871127
111.	BCIT	871128
112.	BCIT	871129
113.	BCIT	871130
114.	BCIT	871131
115.	BCIT	871132
116.	BCIT	871133
117.	BCIT	871134
118.	BCIT	871135
119.	BCIT	871136
120.	BCIT	871137
121.	BCIT	871138
122.	BCIT	871139
123.	BCIT	871140
124.	BCIT	871141
125.	BCIT	871142
126.	BCIT	871143
127.	BCIT	871144
128.	BCIT	871145
129.	BCIT	871146
130.	BCIT	871147

	CAR INITIAL	CAR NUMBER
131.	BCIT	871148
132.	BCIT	871149
133.	BCIT	871200
134.	BCIT	871201
135.	BCIT	871202
136.	BCIT	871203
137.	BCIT	871204
138.	BCIT	871205
139.	BCIT	871206
140.	BCIT	871207
141.	BCIT	871208
142.	BCIT	871209
143.	BCIT	871210
144.	BCIT	871211
145.	BCIT	871212
146.	BCIT	871213
147.	BCIT	871214
148.	BCIT	871215
149.	BCIT	871216
150.	BCIT	871217
151.	BCIT	871218
152.	BCIT	871220
153.	BCIT	871221
154.	BCIT	871222
155.	BCIT	871223
156.	BCIT	871224
157.	BCIT	871225
158.	BCIT	871226
159.	BCIT	871227
160.	BCIT	871228
161.	BCIT	871229
162.	BCIT	871230
163.	BCIT	871231
164.	BCIT	871232
165.	BCIT	871233
166.	BCIT	871234
167.	BCIT	871235
168.	BCIT	871236
169.	BCIT	871238
170.	BCIT	871239
171.	BCIT	871240
172.	BCIT	871241
173.	BCIT	871242
174.	BCIT	871243
175.	BCIT	871244