

RECORDATION NO. 25475 FILED

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SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

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

February 28, 2005

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 Security Agreement, dated as of February 24, 2005, 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:

Secured Party: LaSalle Bank National Association
135 South LaSalle Street
Chicago, Illinois 60603

Borrower: Railcar Custom Leasing LLC
3555 Keith Street, Suite 107
Cleveland, Tennessee 37311

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

All railcars **NOW OWNED AND HEREAFTER ACQUIRED** by the Borrower, and all existing and hereafter entered leases between Borrower and lessor and certain lessees, **EXCEPT** "the security interest and lien of Secured Party shall be released without further action of Secured Party upon the sale of finished goods rolling stock to buyers in the ordinary course of business," and **EXCEPT** 22 railcars within the series RRLX 4203 – RRLX 5996 listed in Schedule 1 attached to the document.

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

Memorandum of 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.

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 SECURITY AGREEMENT

This Memorandum of Security Agreement is made and entered into as of February 24, 2005, by and between LASALLE BANK NATIONAL ASSOCIATION, a national banking association (hereinafter referred to as the "Secured Party") and RAILCAR CUSTOM LEASING LLC, a Tennessee limited liability company (hereinafter referred to as the "Debtor").

Pursuant to the Loan and Security Agreement dated as of February 24, 2005 (as amended, restated, modified and supplemented, the "Security Agreement") between Secured Party and Debtor, and subject to the terms and conditions set forth therein, Secured Party has agreed to make certain loans and extend other credit to Debtor. As security for the payment and fulfillment of its obligations to Secured Party under the Loan and Security Agreement and related documents, Debtor granted to Secured Party a security interest in, among other things, all assets of the Debtor, but excluding the railcars listed on Schedule 1 attached hereto, as such terms are defined in the Tennessee Uniform Commercial Code (the "Code"), whether now owned or existing or hereafter created, manufactured, acquired or arising, including, without limitation, all railroad rolling stock, work-in-process and finished goods inventory and including any security interest or lien that RAILCAR CUSTOM LEASING LLC may have in railroad rolling stock or other collateral that has been sold on credit to buyers, and the products, proceeds and accessions of and to any of the foregoing (hereinafter collectively referred to as the "Collateral"); provided, however, to the extent provided by Section 9-320 of the Code, the security interest and lien of Secured Party shall be released without further action of Secured Party upon the sale of finished goods rolling stock to buyers in the ordinary course of business, except that the security interest granted by Debtor to Secured Party shall extend to and continue in any proceeds of the sale of any such railroad rolling stock.

As contemplated by the Loan and Security Agreement, Secured Party and Debtor hereby make this Memorandum of Security Agreement to confirm and perfect Secured Party's security interest in the Collateral, to the extent such security interest is perfectible by a filing with the Surface Transportation Board. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Security Agreement is not a summary of the Loan and Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Security Agreement and the provisions of the Loan and Security Agreement, the provisions of the Loan and Security Agreement shall control.

This Memorandum of Security Agreement may be executed in counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the Secured Party and Debtor, pursuant to due corporate authority, has caused this Memorandum of Security Agreement to be executed by a duly authorized officer as of the date first above written.

SECURED PARTY:

LASALLE BANK NATIONAL ASSOCIATION,
a national banking association

By: Robert W. Hart
Name: Robert W. Hart
Title: Senior Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

This instrument was acknowledged before me on this 24th day of February, 2005, by Robert Hart, who is Senior Vice President of LaSalle Bank National Association, on behalf of said national banking association.

Notary Public for Shirley J. McGreal
My commission expires: 05.30.09



[Signature Page 1 of 2 to Memorandum of Security Interest]

SCHEDULE 1
To Memorandum of Security Agreement

EXCLUDED RAILCARS

RRLX4203
RRLX4208
RRLX4217
RRLX4233
RRLX4239
RRLX4240
RRLX5995
RRLX5999
RRLX5969
RRLX5971
RRLX5972
RRLX5973
RRLX5975
RRLX5978
RRLX5979
RRLX5987
RRLX5989
RRLX5990
RRLX5992
RRLX5993
RRLX5994
RRLX5996

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: February 25, 2005



Edward M. Luria