

RECORDATION NO. 25519 FILED

MAR 25 '05

11-55 AM

SURFACE TRANSPORTATION BOARD

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

March 25, 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 Railcar Security Agreement, dated as of March 23, 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:

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

Mr. Vernon A. Williams
March 25, 2005
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A description of the railroad equipment covered by the enclosed document is:

236 aluminum autoflood III coal hopper cars: MBKX 3001 – MBKX 3240 (except MBKX 3069, MBKX 3072, MBKX 3073 and MBKX 3074).

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

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

300 Bethgon Coalporter railcars: PSTX 7001 – PSTX 7308, except PSTX 7029, PSTX 7037, PSTX 7084, PSTX 7176, PSTX 7248, PSTX 7289, PSTX 7292 and PSTX 7293.

95 aluminum autoflood II coal hopper cars within the series MBKX 1502 – MBKX 1619 as more particularly set forth on the schedule attached to the document.

20 aluminum autoflood II coal hopper cars: VALX 23194 - VALX 23213.

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 \$32.00 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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MEMORANDUM OF RAILCAR SECURITY AGREEMENT
SURFACE TRANSPORTATION BOARD

This Memorandum of Railcar Security Agreement is made and entered into as of March 23, 2005, 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

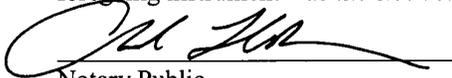
Name: 
Title: Vice President

BORROWER:
MITSUI RAIL CAPITAL, LLC

Name: 
Title: VP & TREASURER

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

On this 23th day of March, 2005, before me personally appeared Yasuhiko Kamei to me personally known, who being duly sworn, says that he is a Vice President 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.



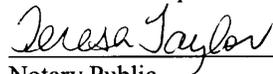
Notary Public
[NOTARIAL SEAL]

My Commission Expires : 5/15/06

CHARLES W. LEWELLYN
Notary Public, State of New York
No. 02LL0041802
Qualified in New York County
Commission Expires May 15, 2006

STATE OF ILLINOIS)
COUNTY OF COOK):SS

On this 24th day of MARCH 2005, before me personally appeared MARK BRECHT to me personally known, who being by me duly sworn, says that he is a VICE 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



SCHEDULE 1

TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

Description	Number of Cars	Marks	Car Numbers
Aluminum Autoflood III Coal Hoppers	236	MBKX	3001-3068, 3070-3071, 3075-3240
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
2580 cubit foot three pocket Open Top Hoppers	123	MBKX	99001-99069, 99071-99084, 99086-99125
Bethgon Coalporter railcars	300	PSTX	7001-7028, 7030-7036, 7038-7083, 7085-7175, 7177-7247, 7249-7288, 7290-7291, 7294-7308,
Aluminum Autoflood II Coal Hoppers	95	MBKX	1502-1504, 1506, 1508-1518, 1520-1537, 1539-1550, 1554, 1556-1564, 1567-1570, 1572-1574, 1576-1582, 1586-1588, 1592, 1594-1596, 1598-1604, 1606-1614, 1616-1617, 1619
Aluminum Autoflood II Coal Hoppers	20	VALX	23194-23213