

EAGLE EVEREST, LLC
THREE LINCOLN CENTRE
5430 LBJ Freeway, Suite 1575
Dallas, Texas 75240-2641



(972) 770-2256 - Facsimile (972) 770-2210

September 26, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 25881 FILED

OCT 04 '05 3-34 PM

SURFACE TRANSPORTATION BOARD

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 September 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:

Secured Party: Eagle Equity I, L.P.
5430 LBJ Freeway, Suite 1575
Dallas, Texas 75240-2641

Debtor: Everest Railroad Car Service, Inc.
1533 Enterprise Drive
Fayetteville, Arkansas 72704

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

Railcar SFS 700-707.

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

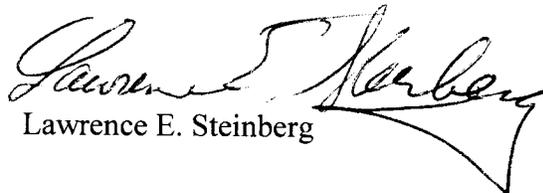
Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Mr. Vernon A. Williams
September 26, 2005
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Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,


Lawrence E. Steinberg

LES:mmc
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT
SURFACE TRANSPORTATION BOARD



This Memorandum of Security Agreement is made and entered into as of September 23, 2005, by and between EVEREST RAILROAD CAR SERVICE, INC. (hereinafter referred to as "Debtor") and EAGLE EQUITY I, L.P. (hereinafter referred to as "Secured Party") respecting that certain Grant of Security Interest in Railcars and in Debtor's Rights Under Equipment Lease (as amended, amended and restated, modified or otherwise in effect from time to time, the "Security Agreement") dated as of September 23, 2005, between Debtor and Secured Party.

Debtor and Secured Party hereby affirm and acknowledge that: Secured Party has agreed to loan to the Debtor and the Debtor has agreed to borrow from the Secured Party and grant the Secured Party a first priority security interest in the railcars identified in Schedule 1 and the lease identified in Schedule 2 attached hereto, effective as of the date hereof and subject to the terms defined in the Security Agreement.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due authority, has caused this Memorandum of Security Agreement to be duly executed in its company name, all as of the day and year first written above.

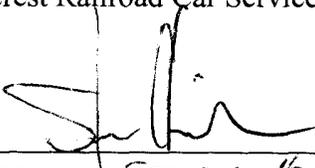
Debtor:

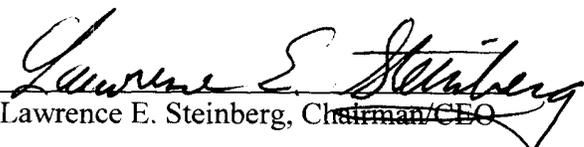
Secured Party:

Everest Railroad Car Service, Inc.

Eagle Equity I, L.P.

By: Eagle Equity, Inc., General Partner

By: 

By: 

Name: STEVEN HENDRICKS

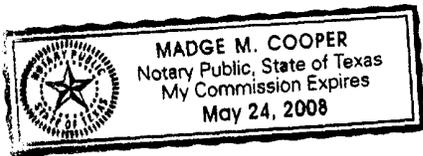
Lawrence E. Steinberg, Chairman/CEO

Title: PRESIDENT

STATE OF TEXAS :
: ss.
COUNTY OF DALLAS :

On this 23RD day of September, 2005, before me personally appeared STEVEN HENDRICKS, to me personally known (or proven to me by identification), who being duly sworn, stated that he is the PRESIDENT of Everest Railroad Car Service, Inc., that said instrument was signed on behalf of said company by authority of its officer(s), and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

WITNESS by hand and official seal.

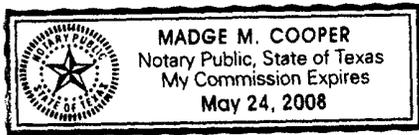


Madge M. Cooper
Notary Public

STATE OF TEXAS :
: ss.
COUNTY OF DALLAS :

On this 23RD day of September, 2005, before me personally appeared Lawrence E. Steinberg, who being duly sworn, stated that he is the Chairman/CEO of Eagle Equity, Inc., General Partner of EAGLE EQUITY I, L.P., that said instrument was signed on behalf of said limited partnership by authority of its officers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

WITNESS my hand and official seal.



Madge M. Cooper
Notary Public

SCHEDULE 1

SFS 700-707

SCHEDULE 2

Leases

Rail Equipment Lease No. HES-805 dated _____

SCHEDULE 2

Leases

LEASED TO LOUISVILLE AND INDIANA RAILROAD