

Haynsworth  
Sinkler Boyd, PA.

ATTORNEYS AND COUNSELORS AT LAW

75 BEATTIE PLACE, 11TH FLOOR (29601-2119)  
POST OFFICE BOX 2048 (29602-2048)  
GREENVILLE, SOUTH CAROLINA  
TELEPHONE 864.240.3200  
FACSIMILE 864.240.3382  
WEBSITE www.hsblawfirm.com

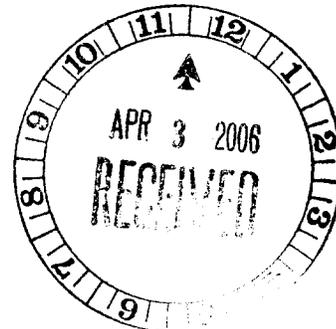
RECORDATION NO. 26284 FILED

March 24, 2006

APR 03 '06

4-12 PM

SURFACE TRANSPORTATION BOARD



Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to 49 U.S.C. Section 11301(a) is one original and ten copies of a Memorandum of Security Agreement, dated as of March 17, 2006, 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:

Debtor: Carolinas Recycling Group, LLC  
2061 Nazareth Church Road  
Spartanburg, South Carolina 29301  
Attn: Michael A. Munafo, Vice President and CFO

Secured Party: Wachovia Bank, National Association  
15 South Main Street, 3rd Floor  
Greenville, South Carolina 29601  
Attn: Mr. Lee Gray or Corporate Banking Officer

A description of the equipment covered by the document follows:

66 railcars with CRBX reporting marks, as more particularly set forth in the equipment schedule attached to the document

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

Memorandum of Security Agreement

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

Please be so kind as to return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert S. Galloway, III

RSG/rmt  
Enclosures

cc: Lee Gray  
Tom Snider

**MEMORANDUM OF SECURITY AGREEMENT**

1. Pursuant to the Security Agreement identified below, Carolinas Recycling Group, LLC, a South Carolina limited liability company (the "Borrower"), has granted to Wachovia Bank, National Association, as Administrative Agent (the "Agent"), as security for certain obligations of the Borrower to the Agent, a security interest in all of the Borrower's right, title and interest in and to the railroad equipment identified on the schedule attached hereto. "Security Agreement" means the Amended and Restated Security Agreement dated as of March 22, 2005, among the Borrower, the Agent and certain lenders and guarantors.

2. The addresses of the parties are as follows:

Carolinas Recycling Group, LLC  
2061 Nazareth Church Road  
Spartanburg, South Carolina 29301  
Attention: Michael Munafò

Wachovia Bank, National Association,  
as Administrative Agent  
15 South Main Street, 3rd Floor  
Greenville, South Carolina 29601  
Attention: Commercial Banking

3. The terms and provisions of the above-referenced security interest are more particularly set forth in the above-referenced Security Agreement.
4. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

RECORDATION NO. 26284 FILED

APR 03 '06

4-12 PM

SURFACE TRANSPORTATION BOARD

[SIGNATURE PAGE FOLLOWS;  
REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of March 17, 2006.

CAROLINAS RECYCLING GROUP, LLC

By: Michael F. Munafo  
Michael Munafo,  
Chief Financial Officer

State of South Carolina        )  
County of Spartanburg    ), ss:

On this 17 day of March, 2006, before me personally appeared Michael Munafo, to me personally known, who being by me duly sworn he is the Chief Financial Officer of Carolinas Recycling Group, LLC, that said instrument was signed on behalf of said company by authority of its members, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Deborah M Page  
Notary Public

My commission expires: 4/25/2010

[NOTARIAL SEAL]

[EXECUTION CONTINUED ON NEXT PAGE;  
REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WACHOVIA BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

By: [Signature]  
Name: Lee R Gray  
Title: Senior Vice President

State of South Carolina     )  
  )  
County of Greenville        ), ss:

On this 13 day of March, 2006, before me personally appeared Lee Gray, to me personally known, who being by me duly sworn says that he is the Sr. VP of Wachovia Bank, National Association, Administrative Agent, that said instrument was signed and sealed on behalf of said agent, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said agent.

[Signature]  
Notary Public

My commission expires: 2-16-2009

[NOTARIAL SEAL]

**Schedule**  
to Memorandum of Security Agreement

The railroad equipment consists of the following items, wherever located, now owned or hereafter acquired or arising, and all proceeds and products thereof, whether derived from voluntary or involuntary disposition or otherwise, and all accessions thereto:

- a. The rail cars described below, by reporting marks and reporting numbers (the "Rail Cars");
- b. All rights of the Debtor under and to any and all refurbishment, renovation or other improvement contracts with respect to the Rail Cars; and
- c. All general intangibles, chattel paper, insurance proceeds, insurance refund claims, tort claims, documents, and instruments in each case to the extent relating to the Rail Cars, together with all income therefrom, increases thereunder and proceeds thereof.

Rail Cars:

Group: Brokerage Service

Car Mark	Car Number	Car Mark	Car Number
1. CRBX	336	11. CRBX	556
2. CRBX	342	12. CRBX	559
3. CRBX	359	13. CRBX	574
4. CRBX	385	14. CRBX	45009
5. CRBX	394	15. CRBX	45051
6. CRBX	433	16. CRBX	45072
7. CRBX	440	17. CRBX	51265
8. CRBX	463	18. CRBX	51295
9. CRBX	467	19. CRBX	51355
10. CRBX	487		

Group: General Scrap Service

Car Mark	Car Number	Car Mark	Car Number
1. CRBX	115	13. CRBX	3741
2. CRBX	236	14. CRBX	7008
3. CRBX	238	15. CRBX	67457
4. CRBX	239	16. CRBX	701998
5. CRBX	280	17. CRBX	703212
6. CRBX	281	18. CRBX	703649
7. CRBX	285	19. CRBX	377
8. CRBX	298	20. CRBX	453
9. CRBX	3612	21. CRBX	537
10. CRBX	3630	22. CRBX	1403
11. CRBX	3647	23. CRBX	1433
12. CRBX	3695	24. CRBX	1439

Car Mark	Car Number
25. CRBX	1440
26. CRBX	1443
27. CRBX	1445
28. CRBX	10222
29. CRBX	14722
30. CRBX	14758
31. CRBX	14780
32. CRBX	14784
33. CRBX	15014
34. CRBX	15229
35. CRBX	131574

Car Mark	Car Number
36. CRBX	362862
37. CRBX	362962
38. CRBX	362977
39. CRBX	364031
40. CRBX	364072
41. CRBX	364125
42. CRBX	364247
43. CRBX	364485
44. CRBX	366922
45. CRBX	476779
46. CRBX	579349
47. CRBX	720211