

OSTER**Researching Services**

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February 29, 2008

Anne Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, D.C. 20423

REGISTRATION NO. 27397 FILED

FEB 29 '08 -5 01 PM

SURFACE TRANSPORTATION BOARD

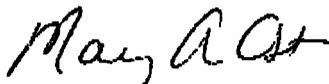
Dear Ms. Quinlan:

Enclosed is a Memorandum of Security Agreement dated 2/7/08 including the following parties and railroad equipment:

Secured Party:	Wells Fargo Equipment Finance, Inc. Investors Building, #700 733 Marquette Avenue So. Minneapolis, MN 55402
Debtor:	Elmore Financial, LLC 696 N. 8 th Street Brawley, CA 92227
Equipment:	46, Used 50' 70-ton Boxcars WTRM 8000-8045

Please record this agreement as a primary document. The filing fee of \$35 is enclosed.
Summary: Memorandum of Security Agreement dated 2/7/08 between Wells Fargo Equipment Finance, Inc. as Secured Party and Elmore Financial, LLC as Debtor including 46, Used Boxcars WTRM 8000-8045.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosures



Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Memorandum of Security Agreement

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 7th day of February, 2008, by and between Elmore Financial, LLC, a California limited liability corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note 221128-700 dated as of February 7, 2008 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated February 7, 2008, pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Forty-Six (46) Used 50', 70-Ton Boxcars Railcars originally built by Trinity in early 1980's with the following markings described on Schedule B attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, the Rail Car Lease dated March 1, 2006 between the Debtor and Ohio Central Railway and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

Elmore Financial, LLC

By: John Elmore
John Elmore, Member

WELLS FARGO EQUIPMENT FINANCE, INC.

By: Maria Vlas
Its: Contract Administration
Manager

I:\Contract Admin\STRDDOCS\Memo of Security Agreement

RECORDATION NO. 27397 FILED

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SURFACE TRANSPORTATION BOARD



Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue
Suite 700
Minneapolis, MN 55402

Schedule B
To Memorandum of Security Agreement

Contract Number 221128-700 dated as of February 7, 2008

Debtor: Elmore Financial, LLC

Forty-Six (46) Used 50', 70-Ton Boxcars Railcars manufactured new by Evans in 1978 with the current markings :

WTRM	8000	WTRM	8015	WTRM	8030	WTRM	8045
WTRM	8001	WTRM	8016	WTRM	8031		
WTRM	8002	WTRM	8017	WTRM	8032		
WTRM	8003	WTRM	8018	WTRM	8033		
WTRM	8004	WTRM	8019	WTRM	8034		
WTRM	8005	WTRM	8020	WTRM	8035		
WTRM	8006	WTRM	8021	WTRM	8036		
WTRM	8007	WTRM	8022	WTRM	8037		
WTRM	8008	WTRM	8023	WTRM	8038		
WTRM	8009	WTRM	8024	WTRM	8039		
WTRM	8010	WTRM	8025	WTRM	8040		
WTRM	8011	WTRM	8026	WTRM	8041		
WTRM	8012	WTRM	8027	WTRM	8042		
WTRM	8013	WTRM	8028	WTRM	8043		
WTRM	8014	WTRM	8029	WTRM	8044		

Equipment originally located at: 696 N. 8th Street, Brawley, CA 92227

Dated: February 7, 2008



STATE OF _____
COUNTY OF _____

On this ____ day of _____, 200__, before me, a Notary Public of the City and State aforesaid, personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of _____, an _____ corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Notary Public

My commission expires:

STATE OF MINNESOTA
COUNTY OF KENNEBEC

On this 29th day of FEBRUARY, 2008, before me a Notary Public of the City and State aforesaid, personally appeared NICHOLE, to me personally known who being by me duly sworn, says that (he/she) is a CA MANAGER of WALS FINCO, that foregoing instrument (is) was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



(Seal)

Michelle E. Larson
Notary Public

My commission expires: 1/31/2010

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

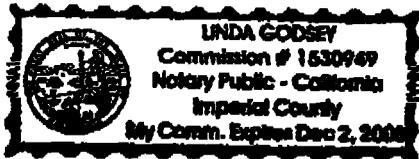
State of California

County of Imperial

On February 11, 2008 before me, * Linda Godsey, Notary Public *
Date Here Insert Name and Title of the Officer

personally appeared ** John Elmore **
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Linda Godsey
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Memorandum of Security Agreement & Schedule B
(Schedule B-FortySix (46) Used 50', 70-Ton Boxcars Railcars)
Document Date: 2/7/2008 Number of Pages: 2 Pages

Signer(s) Other Than Named Above: Wells Fargo Equipment Finance, Inc.

Capacity(ies) Claimed by Signer(s)

Signer's Name: John Elmore
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: Member
Signer is Representing: _____
Elmore Financial, LLC



Signer's Name: _____
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____
Signer is Representing: _____

