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February 25, 2008

Vernon Williams, Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

Via FedEx #799277910761



Re: Bank of Oklahoma, N.A. Loan to Railroad Materials Salvage, Inc. and BG & CM Railroad, Inc.

Dear Secretary Williams:

Enclosed please find the original and one certified copy of the document described below to be recorded pursuant to 49 U.S.C. § 11301.

This document is a Memorandum of Guaranty and Collateral Agreement, a primary document, dated as of November 30, 2007. Please record this document under the next available recordation number.

The names and addresses of the parties to the documents are as follows:

**Secured Party:**

Bank of Oklahoma, N.A.  
P.O. Box 2300  
Tulsa, OK 74192

**Debtor:**

Railroad Materials Salvage, Inc.  
P.O. Box 612  
Richmond, MO 64085

RECORDATION NO. 27402 FILED

MAR 11 '08 -4 4 5 PM

**SURFACE TRANSPORTATION BOARD**

A description of the collateral covered by the Memorandum of Guaranty and Collateral Agreement is identified on the Schedule attached thereto, and includes collateral now owned and hereafter acquired.

The fee of \$35.00 is enclosed.

Please return the file stamped recorded original via the enclosed pre-addressed FedEx envelope to:

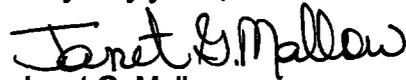
February 25, 2008

Page 2

Riggs, Abney, Neal, Turpen, Orbison & Lewis  
502 West Sixth Street  
Tulsa, OK 74119-1010  
Attn: Janet G. Mallow

A short summary of the document to appear in the index follows: Memorandum of Guaranty and Collateral Agreement between Bank of Oklahoma, N.A., P.O. Box 2300, Tulsa, Oklahoma 74192, and Railroad Materials Salvage, Inc., P.O. Box 612, Richmond, MO 64085, covering the equipment described in the Schedule attached thereto, whether now owned or hereafter acquired.

Very truly yours,



Janet G. Mallow  
FOR THE FIRM

Enclosures

MAR 11 '08 -4 4 5 PM

**MEMORANDUM OF GUARANTY AND COLLATERAL AGREEMENT**  
SURFACE TRANSPORTATION BOARD

This Memorandum of Guaranty and Collateral Agreement, dated as of November 30, 2007, is by RAILROAD MATERIALS SALVAGE, INC. ("Debtor") and Bank of Oklahoma, N.A. ("Lender") pursuant to the Revolving Credit and Term Loan Agreement ("Credit Agreement"), dated as of November 30, 2007, among Railroad Materials Salvage, Inc. and BG & CM Railroad, Inc. (separately and collectively, "Borrower") and Lender.

1. Lender has made a loan to Borrower pursuant to the terms of the Credit Agreement for the purpose of financing the operating needs of Borrower and its affiliates (including Debtor). Such loan is secured by Debtor's assets pursuant to the Guaranty and Collateral Agreement, dated as of November 30, 2007 ("Guaranty and Collateral Agreement").

2. Pursuant to the Guaranty and Collateral Agreement, Debtor grants to Lender a lien on and security interest in all of Debtor's right, title and interest in and to the Rolling Stock (as defined in the Guaranty and Collateral Agreement) identified on the Schedule attached hereto, whether now owned or hereafter acquired, pursuant to Section 3 of the Guaranty and Collateral Agreement.

In witness whereof, each of the parties hereto have caused this Memorandum of Guaranty and Collateral Agreement to be executed by it's duly authorized officer as of the date first written above.

"Debtor"

**RAILROAD MATERIAL SALVAGE, INC.**

By   
Michael W. Williams, President

"Lender"

**BANK OF OKLAHOMA, N.A.**

By   
W. Mack Renner, Vice President

**COPY**

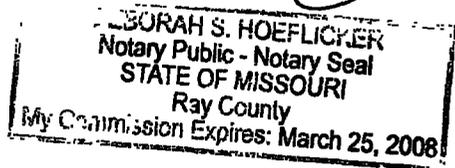
STATE OF Mo. )  
COUNTY OF Ray ) ss.

On this 14th day of Feb, 2008, before me personally appeared Michael W. Williams, to me personally known, who being by me duly sworn, says that he is the President of Railroad Materials Salvage, Inc., that said instrument was signed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires:

3-25-08  
[SEAL]

*Borah S. Hoeflicker*  
Notary Public



STATE OF OKLAHOMA )  
COUNTY OF TULSA ) ss.

On this 2nd day of FEBRUARY, 2008, before me personally appeared W. Mack Renner, to me personally known, who being by me duly sworn, says that he is the Vice President of Bank of Oklahoma, N.A., that said instrument was signed on behalf of Bank of Oklahoma, N.A., and he acknowledged that the execution of the foregoing instrument was the free act and deed of Bank of Oklahoma, N.A.

My Commission Expires:

3-15-09  
[SEAL]

*Elizabeth A. Eckert*  
Notary Public

### Schedule "A"

Included in the property covered by the aforesaid Guaranty and Collateral Agreement are locomotives, cabooses, flat cars, bulkhead flat cars, boxcars, gondolas, coal cars, open top hopper cars, covered hopper cars, woodrack cars, specialty cars (office, club and power), yard cars, system cars and other rail cars intended for use related to interstate commerce, or interests therein, owned by Railroad Materials Salvage, Inc. at the date of said Guaranty and Collateral Agreement or thereafter acquired by it or its successors as owners of the lines of railway covered by the Guaranty and Collateral Agreement.