

RECORDATION NO. 29614 FILED

JAN 18 '11 -12 00 PM

SURFACE TRANSPORTATION BOARD

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

January 17, 2011

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

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 November 19, 2010, 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: Banco Bradesco S.A. - New York Branch
450 Park Avenue, 32nd Floor
New York, NY 10022

Debtor: Incobrasa Industries, Ltd.
540 East U.S. Highway 24
Gilman, IL 60938

**Section Chief
January 17, 2011
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A description of the railroad equipment covered by the enclosed document is:

200 covered hopper railcars within the series BRIX 97201 - BRIX 97405 as more particularly set forth in the attachment to the document.

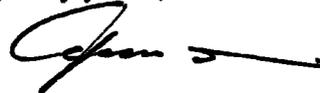
A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41.00 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,

A handwritten signature in black ink, appearing to read 'Robert W. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

**RWA/sem
Enclosures**

JAN 18 '11 -12 00 PM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") dated November 19, 2010, is made by and between BANCO BRADESCO S.A. - NEW YORK BRANCH, a Branch of a Brazilian banking corporation, with an office at 450 Park Avenue, 32nd Floor, New York, New York 10022 (the "Secured Party") and INCOBRASA INDUSTRIES, LTD., an Illinois corporation, with its principal office at 540 East U. S. Highway 24, Gilman, Illinois 60938 (the "Debtor").

The Debtor and the Secured Party hereby state the following:

1. The Debtor and the Secured Party are parties to that certain Loan Agreement dated November 19, 2010 (the "Loan Agreement"), whereby the Secured Party has agreed to loan the Debtor certain funds to provide working capital for accounts receivable and inventory.

3. To secure the payment and performance of any and all of the Debtor's obligations to the Secured Party, the Debtor has, pursuant to that certain Security Agreement - Railcars, dated November 19, 2010, by and between the Debtor and the Secured Party (the "Security Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given them in the Security Agreement), granted to the Secured Party a continuing, first priority security interest in, and lien on, all of the Debtor's right, title and interest in and to certain collateral (the "Collateral") including, without limitation, the covered hopper railcars, tank railcars and other types of railcars set forth on Exhibit A hereto (the "Railcars") to have and to hold all and every part of the Collateral unto the Secured Party, its successors and assigns, for its and their own use and benefit forever; such Collateral includes but is not limited to:

- (a) the Railcars;
- (b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Railcars described above;
- (c) all lease payments and lease proceeds with respect to the Railcars;
- (d) all proceeds, casualty value payments or proceeds, settlement payments and requisition compensation from the sale, loss or other disposition of the Railcars;
- (e) all rights, claims and causes of action, if any, that the Debtor may have now or in the future against any seller of the Railcars or any manufacturer or re-builder of the Railcars (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

Two handwritten signatures are present at the bottom of the page. The signature on the left is a large, stylized scribble. The signature on the right is a more legible, cursive signature.

(f) all damages from time to time payable to or receivable by the Debtor in respect of the Railcars;

(g) all products or proceeds (cash and non-cash) of any of the foregoing; and

(h) all books and records relating to any of the foregoing.

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

WITNESS:

Secretary

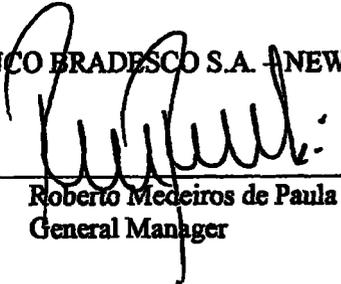
INCOBRASA INDUSTRIES, LTD.

By: 

Renato Bastos Ribeiro
President

WITNESS:

BANCO BRADESCO S.A. - NEW YORK BRANCH

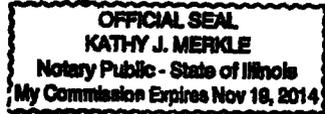
By: 

Roberto Medeiros de Paula
General Manager

STATE OF Illinois)
)
COUNTY OF Troquois) SS:

On this 21st day of December, 2010, before me, a Notary Public of the County and State aforesaid, personally appeared Renato Bastos Ribeiro, to me personally known, who being by me duly sworn, says that he is the President of INCOBRASA INDUSTRIES, LTD., an Illinois corporation, that said 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.

WITNESS my hand and notarial seal.



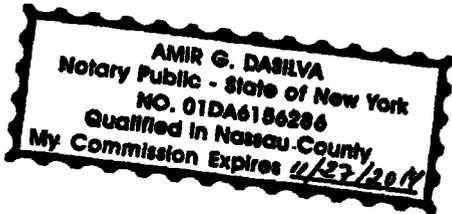
Kathy J. Merkle
Notary Public

STATE OF NEW YORK)
)
COUNTY OF QUEENS) SS:

On this 23 day of December, 2010, before me, a Notary Public of the County and State aforesaid, personally appeared Roberto Medeiros de Paula, to me personally known, who being by me duly sworn, says that he is a General Manager of BANCO BRADESCO S.A. - NEW YORK BRANCH, a Branch of a Brazilian banking corporation, that said instrument was signed on behalf of said bank 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 bank.

WITNESS my hand and notarial seal.

[Signature]
Notary Public



[Signature]

EXHIBIT A

**Two hundred covered hopper Railcars (286 GRL)
manufactured by Thrall Car Manufacturing Company
bearing reporting marks and numbers as follows:**

BRIX97201	BRIX97242	BRIX97283	BRIX97324	BRIX97365
BRIX97202	BRIX97243	BRIX97284	BRIX97325	BRIX97366
BRIX97203	BRIX97244	BRIX97285	BRIX97326	BRIX97367
BRIX97204	BRIX97245	BRIX97286	BRIX97327	BRIX97368
BRIX97205	BRIX97246	BRIX97287	BRIX97328	BRIX97369
BRIX97206	BRIX97247	BRIX97288	BRIX97329	BRIX97370
BRIX97207	BRIX97248	BRIX97289	BRIX97330	BRIX97371
BRIX97208	BRIX97249	BRIX97290	BRIX97331	BRIX97372
BRIX97209	BRIX97250	BRIX97291	BRIX97332	BRIX97373
BRIX97210	BRIX97251	BRIX97292	BRIX97333	BRIX97374
BRIX97211	BRIX97252	BRIX97293	BRIX97334	BRIX97375
BRIX97212	BRIX97253	BRIX97294	BRIX97335	BRIX97376
BRIX97213	BRIX97254	BRIX97295	BRIX97336	BRIX97377
BRIX97214	BRIX97255	BRIX97296	BRIX97337	BRIX97378
BRIX97215	BRIX97256	BRIX97297	BRIX97338	BRIX97379
BRIX97216	BRIX97257	BRIX97298	BRIX97339	BRIX97380
BRIX97217	BRIX97258	BRIX97299	BRIX97340	BRIX97381
BRIX97218	BRIX97259	BRIX97300	BRIX97341	BRIX97382
BRIX97219	BRIX97260	BRIX97301	BRIX97342	BRIX97383
BRIX97220	BRIX97261	BRIX97303	BRIX97343	BRIX97384
BRIX97221	BRIX97262	BRIX97304	BRIX97344	BRIX97385
BRIX97222	BRIX97263	BRIX97305	BRIX97346	BRIX97386
BRIX97223	BRIX97265	BRIX97306	BRIX97347	BRIX97387
BRIX97224	BRIX97266	BRIX97307	BRIX97348	BRIX97388
BRIX97225	BRIX97267	BRIX97308	BRIX97349	BRIX97389
BRIX97226	BRIX97268	BRIX97309	BRIX97350	BRIX97390
BRIX97227	BRIX97269	BRIX97310	BRIX97351	BRIX97391
BRIX97228	BRIX97270	BRIX97311	BRIX97352	BRIX97392
BRIX97229	BRIX97271	BRIX97312	BRIX97353	BRIX97393
BRIX97230	BRIX97272	BRIX97313	BRIX97354	BRIX97394
BRIX97231	BRIX97273	BRIX97314	BRIX97355	BRIX97395
BRIX97232	BRIX97274	BRIX97315	BRIX97356	BRIX97397
BRIX97233	BRIX97275	BRIX97316	BRIX97357	BRIX97398
BRIX97234	BRIX97276	BRIX97317	BRIX97358	BRIX97399
BRIX97235	BRIX97277	BRIX97318	BRIX97359	BRIX97400
BRIX97237	BRIX97278	BRIX97319	BRIX97360	BRIX97401
BRIX97238	BRIX97279	BRIX97320	BRIX97361	BRIX97402
BRIX97239	BRIX97280	BRIX97321	BRIX97362	BRIX97403
BRIX97240	BRIX97281	BRIX97322	BRIX97363	BRIX97404
BRIX97241	BRIX97282	BRIX97323	BRIX97364	BRIX97405

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 1/17/11



Robert W. Alvord