

substitutions, replacements, additions and accessions thereto, now owned or hereafter acquired, and all proceeds thereof.

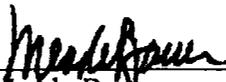
A short summary of the document to appear in the index is:

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.

Sincerely,


Meade Bauer

Enclosures

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MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") dated to be effective as of November 21, 2011 (the "Effective Date"), is made by and between **GEORGETOWN RAIL EQUIPMENT COMPANY, a Texas corporation** (hereinafter called "Debtor"), whose address is 111 W. Cooperative Way, Georgetown, Williamson County, Texas 78626, and whose organizational number is TX126446400, and **THE FROST NATIONAL BANK, a national banking association ("Secured Party")**, whose address is P.O. Box 1600, San Antonio, Bexar County, Texas 78296. The parties hereto for good and valuable consideration hereby state the following:

1. Debtor and Secured Party are parties to that certain Security Agreement dated March 24, 2011, as most recently amended and restated under that certain Second Amendment to Loan Agreement and Loan Documents dated the Effective Date (the "Security Agreement") whereby, as security for the Indebtedness (capitalized terms used herein and not otherwise defined shall have the meaning given in the Security Agreement), Debtor, for value received, pledged and granted to Secured Party a continuing security interest in the railroad equipment more specifically identified on Exhibit A attached hereto and made a part hereof (the "Collateral").

2. Debtor's obligations under the Loan Documents are evidenced by and payable in accordance with the Loan Documents.

3. Pursuant to the terms of the Loan Documents and to secure the payment and performance of any and all of Debtor's obligations to Secured Party, Debtor granted to Secured Party a first priority security interest in the Collateral, together with all products and proceeds of all of the foregoing (including without limitation, insurance payable by reason of loss or damage to the Collateral) and any property, securities, guaranties or monies of Debtor which may at any time come into the possession of Secured Party.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed effective as of the Effective Date.

DEBTOR:

GEORGETOWN RAIL EQUIPMENT
COMPANY, a Texas corporation

By: William Shell
William Shell, President

SECURED PARTY :

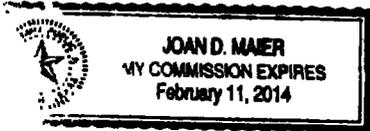
THE FROST NATIONAL BANK,
a national banking association

By: Charles Colley
Name: Charles Colley
Title: S.V.P.

web

STATE OF TEXAS §
 §
COUNTY OF Williams §

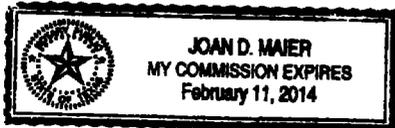
This instrument was acknowledged before on the 21st day of November, 2011, by William Shell, President of **GEORGETOWN RAIL EQUIPMENT COMPANY**, a Texas corporation, on behalf of said corporation.



Joan D. Maier
Notary Public - State of Texas

STATE OF TEXAS §
 §
COUNTY OF Williams §

This instrument was acknowledged before on the 21st day of November, 2011, by Charles Colley, Sr. VP. of **THE FROST NATIONAL BANK**, a national banking association, on behalf of said national banking association.



Joan D. Maier
Notary Public - State of Texas

act

EXHIBIT A

Self-propelled Slot Train (SPS Train) GREX 6004 consisting of: one (1) power car manufactured by SpecSys of Montevideo, MN, eleven (11) slot train cars identified as a unit GREX 60490, manufactured by SpecSys of Montevideo, MN, one (1) Type A car, nine (9) Type B cars, one (1) Type C car and ancillary equipment including SPS train's radio equipment, signage, bearings, connectors, collectors, adapters, reservoir, plats, valves and beams, together with all substitutions, replacements, additions and accessions thereto, now owned or hereafter acquired, and all proceeds thereof.

WHL