First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

VIA FEDERAL EXPRESS

April 19, 1999

RECORDATION NO. 22139 FILED

APR 20 '99 11-00AM

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated April 7, 1999, 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:

Lessor:	First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018	Lessee:	Southwest Rail Industries, Inc. P.O. Box 65 Weimer, TX 78962

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of $26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase

Tiffany Chase
Manager of Documentation

Enclosures

(SRII002)

SRII002

EXHIBIT A
to
RIDER NO. 1

RECORDATION NO. 22139 FILED

APR 2 0 '99 11-00AM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of April, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Southwest Rail Industries, Inc. ("Lessee"), a Texas corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of June 1, 1993 as amended on July 1, 1997 as assigned thereto, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of Sept. 1, 1996 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard E. Seymour
Name: RICHARD E. SEYMOUR
Title: Vice President Sales & Marketing

ATTEST:

By: K. A. Dombrowski
Name: K. A. DOMBROWSKI
Title: DIRECTOR of DOCUMENTATION

Executed on this 7th day of April, 1999.

[CORPORATE SEAL]

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STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of April, 1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)

OFFICIAL SEAL
SUSAN GROKULSKY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8-14-2000

LESSEE:

SOUTHWEST RAIL INDUSTRIES, INC.

ATTEST:

By: Robert R. Huette
Name: ROBERT R. HUETTE
Title: PRESIDENT

By: Chris Garmon
Name: Chris Garmon
Title: VP

Executed on this 25th day of MAR, 1999.

[CORPORATE SEAL]

NANCY BITTNER
NOTARY PUBLIC
STATE OF TEXAS
My Commission Expires 04-26-2002

STATE OF Texas

COUNTY OF Colorado

I, Nancy Bittner, a Notary Public of the County and State aforesaid, certify that Robert R Huette personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 25th day of March, 1999

Nancy Bittner
Notary Public

My Commission Expires:

4-26-2002
(Notary Public)

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EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS:	Three (3)
DESCRIPTION OF CARS:	DOT111A100W-3 Exterior Coiled, Insulated 10,000 Gallon Tank Cars
CAR NUMBERS:	NDYX 65667, NDYX 65668 and NDYX65671