

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575



VIA FEDERAL EXPRESS

January 26, 1999

RECORDATION NO. 21998 FILED

JAN 28 '99

9-30 AM

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

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 December 17, 1998, 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 Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Texas, Oklahoma & Eastern Railroad
Company
P. O. Box 209
Longview, WA 98632

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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,


Susan Grokulsky
Manager - Documents Administration

Enclosures

(TOE001)

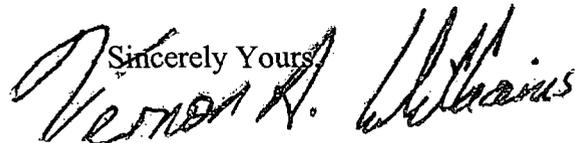
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

Susan Grokulsky
First Union Rail Corporation
6250 River Road, Ste. 5000
Rosemont, Illinois 60010

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/28/99 at 9:30 AM, and
assigned recordation numbers (s): 21990, 21991, 21992, 21993, 21994, 21995, 21996,
21997, 21998, 21999 and 22000.

Sincerely Yours


Vernon A. Williams

Enclosure(s) (11)
286.00

\$ _____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



ASSIGN: TOE001

RECORDATION NO. 21998 FILED

JAN 28 '99

9-30 AM

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the 17th day of December, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Texas, Oklahoma & Eastern Railroad Company ("Lessee"), an Oklahoma corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of January 1, 1998, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

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

ATTEST:

By: [Signature]

Name: JACK THOMAS
President

By: [Signature]

Name: K.A. Dombrowski

Title: MANAGER - DOCUMENTATION Executed on this 17 day of December, 1998.

[CORPORATE SEAL]



STATE OF ILLINOIS

COUNTY OF COOK

I, Susan Grokulsky, a Notary Public of the County and State aforesaid, certify that John J. Thomas 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 17th day of December, 1998.

Susan Grokulsky
Notary Public

My Commission Expires:

8/14/2000
(Notary Public)



LESSEE:

TEXAS, OKLAHOMA & EASTERN RAILROAD
COMPANY

ATTEST:

By: _____
Name: [Signature]
Title: VP/GM

By: _____

Name: Ben Bramlett

Title: Dir. Finance

Executed on this 25 day of NOV, 1998.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, Gloria Jean Caldwell, a Notary Public in and for said state and county, certify that Ben Bramlett personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this 7th day of December, 1998.

Gloria Jean Caldwell, Notary Public
Sevier County, Arkansas
My Commission Expires 9-14-2007

Gloria Jean Caldwell
Notary Public

My Commission Expires:

9-14-2007
(Notary Public)

EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: Forty (40)

DESCRIPTION OF CARS: 73' centerbeam flatcars

CAR NUMBERS: See below:

| Car initial (29) | Car number (29) |
|------------------|-----------------|
| MR | 009000 |
| MR | 009001 |
| MR | 009002 |
| MR | 009003 |
| MR | 009004 |
| MR | 009005 |
| MR | 009006 |
| MR | 009007 |
| MR | 009008 |
| MR | 009009 |
| MR | 009010 |
| MR | 009011 |
| MR | 009012 |
| MR | 009013 |
| MR | 009014 |
| MR | 009015 |
| MR | 009016 |
| MR | 009017 |
| MR | 009018 |
| MR | 009019 |

| | |
|---------------|-----------|
| MR | 009020 |
| MR | 009021 |
| MR | 009022 |
| MR | 009023 |
| MR | 009024 |
| MR | 009025 |
| MR | 009026 |
| MR | 009027 |
| MR | 009028 |
| MR | 009029 |
| MR | 009030 |
| MR | 009031 |
| MR | 009032 |
| MR | 009033 |
| MR | 009034 |
| MR | 009035 |
| MR | 009036 |
| MR | 009037 |
| MR | 009038 |
| MR | 009039 |
| Count: | 40 |