



First Union Rail Corporation
 One O'Hare Centre
 6250 River Road, Suite 5000
 Rosemont, IL 60018
 Tel 847 318-7575
 Fax 847 318-7588

VIA UPS NEXT DAY AIR

July 12, 2001



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 May 21, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. 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: Kyle Railroad Company 38 Railroad Avenue Phillipsburg, KS 67661
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A description of the railroad equipment covered by the enclosed document is eight (8) 100 ton, 2100 cubic foot open hopper cars, with car numbers NOKL 910108-910359, non-inclusive.

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

Memorandum of Lease between First Union Rail Corporation, Lessor and Kyle Railroad Company, Lessee, covering 8 100 ton, 2100 cubic foot open hopper cars, with car numbers NOKL 910108-910359, non-inclusive.

Also enclosed is a check in the amount of \$28.00 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 along with the additional copies.

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-Morrison
 Manager of Documentation

Enclosures

(KYLE002)

RECORDATION NO. 23557 FILED

JUL 17 '01 4-8 8 PM

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SURFACE TRANSPORTATION BOARD

ASSGN. NO.: KYLE002

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 21st day of May, 2001, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Kyle Railroad Company ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 21, 2001, 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 April 6, 2001, 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
Vice President Sales & Marketing

Title:

ATTEST:

By: K. H. Dombrowski

Name: K. H. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION

Executed on this 21st day of May, 2001.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

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

WITNESS my hand and official stamp or seal, this 21st day of May, 2001.

Susan Grokulska
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



RECORDATION NO. 23557 FILED

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SURFACE TRANSPORTATION BOARD

LESSEE:

KYLE RAILROAD COMPANY

ATTEST:

By: Steve Coomes

Name: Steve Coomes

Title: Supt. of Cars

By: Ron Walley

Name: Ron Walley

Title: RoadMaster

Executed on this 27th day of April, 2001.

[CORPORATE SEAL]

STATE OF California

COUNTY OF Tulare

I, Loretta C. Johnson, a Notary Public of the County and State aforesaid, certify that Steve J. Coomes personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of April, 2001.

Loretta C. Johnson
Notary Public

Commission Expires: Aug 10, 2003

Loretta C. Johnson
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Eight (8)

DESCRIPTION OF CARS: 100-ton, 2100 cu. ft. Open Hopper Cars

CAR NUMBERS: NOKL 910108, NOKL 910142, NOKL 910234, NOKL 910309,
NOKL 910316, NOKL 910329, NOKL 910356 and NOKL 910359