

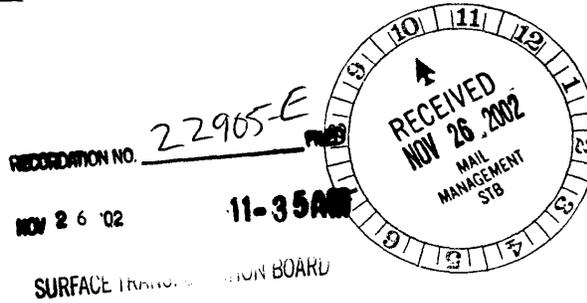


www.preferredcap.com

CORPORATE HEADQUARTERS

6860 West Snowville Road
Suite 110
Brecksville, Ohio 44141
(440) 546-7400
(800) 338-4585
(440) 546-7406 Fax

November 25, 2002



Mr. Robert Link
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

Re: Security interest filing for Locomotive Equipment Lease dated March 23, 2000 (STB recordation number 22905)

Dear Mr. Link,

Please find enclosed three certified copies of the Memorandum of Assignment and Security Agreement and Release of Lien dated as of November 18, 2002 between Sky Bank, successor by merger with Sky Bank Mid Am Region and Preferred Capital, Inc.

This relates to the re-assignment by Sky Bank, successor by merger with Sky Bank - Mid Am Region, to Preferred Capital, Inc. of the above referenced Lease, originally between Joseph Transportation Services, Inc., as Lessor and LBC PetroUnited, Inc., as Lessee.

That Lease was assigned STB recordation number 22905.

The Lease was subsequently sold and assigned to Preferred Capital, Inc. A Memorandum of Assignment and Assumption dated as of February 16, 2001 between Joseph Transportation Services, Inc. and Preferred Capital, Inc. was submitted to your office for recordation.

Preferred Capital, Inc. then assigned the Lease to Sky Bank -Mid Am Region for financing purposes. That assignment was also recorded with your office.

I am providing this information to record the re-assignment of the Lease and the release the lien on the Locomotive.

Enclosed is a check for \$30.00 for the recordation fee. Please return two of the originals to me.

If you have any questions, please call me at 440-546-7400 x105.

Sincerely,

[Handwritten signature of J. Jeffrey Eakin]

J. Jeffrey Eakin
Senior Vice President and Secretary

STATE OF OHIO)
COUNTY OF CUYAHOGA) SS:

The foregoing instrument was acknowledged before me this 25 day of November 2002 by Pamela S. Seeker.

[Handwritten signature of Pamela S. Seeker]
Notary signature

PAMELA S. SEEKER, Notary Public
State of Ohio
My Commission Expires January 1, 2006

RECORDATION NO. 22905-E FILED

**MEMORANDUM OF
ASSIGNMENT AND SECURITY AGREEMENT
AND
RELEASE OF LIEN** NOV 26 '02 11-35A
SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment and Security Agreement and Release of Lien is made and entered into as of November 18, 2002, by and between **PREFERRED CAPITAL, INC.**, an Ohio Corporation ("Assignee") and **SKY BANK, SUCCESSOR BY MERGER WITH SKY BANK-MID AM REGION**, a state banking association ("Assignor").

WITNESSETH:

1. By that certain Memorandum of Assignment and Security Agreement made and entered into as of July 11, 2001, by and between PREFERRED CAPITAL, INC. ("Preferred"), an Ohio corporation and SKY BANK, SUCCESSOR BY MERGER WITH SKY BANK-MID AM REGION, ("Sky"), a state banking association, and given Surface Transportation Board ("STB") Recordation No. 22905-D, Preferred assigned to Sky that certain lease agreement dated March 23, 2000, between Preferred, as Lessor, and LBC PetroUnited, Inc., as Lessee, (the "Lease") for one (1) Locomotive bearing the railroad reporting markings set forth in Schedule I.
2. For good and valuable consideration paid by Preferred to Sky, the receipt of which is hereby acknowledged, Sky hereby re-assigns the Lease to Preferred and releases any lien on the Locomotive created by or arising out of the Assignment and Security Agreement.
3. This Memorandum of Assignment and Security Agreement and Release of Lien shall be effective as of the date first set forth above and shall be subject to the Lease Term, as defined in the Lease.
4. This Memorandum will be recorded with the Surface Transportation Board so as to record the re-assignment of the Lease and the release of the lien against the Locomotive.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Assignment and Security Agreement and Release of Lien to be executed and delivered by their duly authorized representatives as of the date set forth above, and shall be effective as of November 18, 2002

SAC
JE

PREFERRED CAPITAL, INC.

By: J. Jeffrey Eakin

Name: J. Jeffrey Eakin

Title: Senior Vice President

**SKY BANK, SUCCESSOR BY MERGER WITH
SKY BANK-MID AM REGION**

By: Stephan H. Kurkul

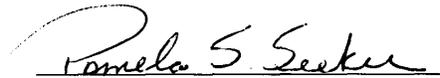
Name: Stephan H. Kurkul

Title: Vice President

STATE OF OHIO)
) SS:
COUNTY OF Cuyahoga)

On this 25 day of November, 2002, before me the subscriber, Pamela S. Seeker, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named J. Jeffrey Eakin, to me personally known, who stated and acknowledged that he is the Senior Vice President of PREFERRED CAPITAL, INC., an Ohio corporation, and duly authorized by authority of the Board of Directors or By-laws of said corporation in his capacity as such officer to execute and acknowledge this document for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered this document as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 25 day of November, 2002.


(Notary Signature)

My commission expires:

PAMELA S. SEEKER, Notary Public
State of Ohio
My Commission Expires January 1, 2006

**SCHEDULE I
TO
MEMORANDUM OF ASSIGNMENT AND SECURITY AGREEMENT
AND
RELEASE OF LIEN**

LOCOMOTIVE: One (1) Locomotive currently bearing reporting marks:
JTPX 1202

LEASE: Dated March 23, 2000, between JOSEPH TRANSPORTATION SERVICES, INC. and LBC PETROUNITED, INC., as subsequently assigned to PREFERRED CAPITAL, INC., as subsequently assigned to SKY BANK, SUCCESSOR BY MERGER WITH SKY BANK-MID AM REGION