

# Southern Rail Leasing, Inc.



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October 31, 2006

RECORDATION NO. 26647 FILED

VIA FED-EX

NOV 02 '06 12-58 PM

Surface Transportation Board, Secretary  
1925 K Street, N.W.  
Room 800, Recordations  
Washington D.C. 20006

SURFACE TRANSPORTATION BOARD

Re: Filing of Memorandum of Lease  
(Our reference: Franklin 2)

Dear Secretary:

I have enclosed two originals of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Memorandum of Lease dated as of October 18, 2006. It is a primary document. It is made with respect to a Railroad Car Lease dated as of March 21, 2005 and Schedule Number 2 thereto dated as of September 27, 2005.

The names and addresses of the parties to the document are as follows:

Lessor: Southern Rail Leasing, Inc., 955 South Virginia Street, Reno, Nevada 89502

Lessee: Franklin Industries, Inc., 612 Tenth Avenue, North, Nashville, TN 37203

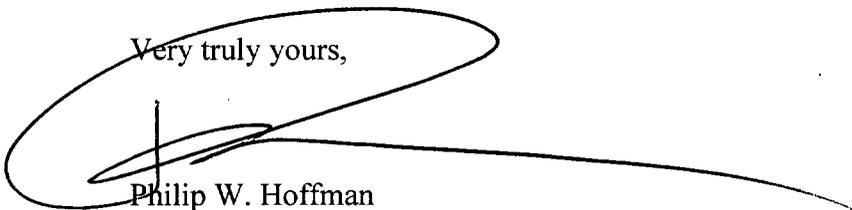
This Memorandum of Lease covers 50 approximately 2,924 cubic foot (nominal) covered hopper cars bearing the following marks and numbers:

PRIOR NUMBERS	NEW NUMBERS
RGCX 37, 45, 48, 53, 54, 59, 60, 62-69, 75, 77, 78, 80, 81, 84-90, 95, 96, 106, 107, 110, 111, 114, 117, 118, 120-124, 134, 137-141, 144, 145, 235, 236	SRLX 501 - 550

A fee of \$34.00 is enclosed. Please return one original and any extra copies not needed by the Board for recordation to: Southern Rail Leasing, Inc., 955 South Virginia Street, Reno, Nevada 89502, Attention: Philip W. Hoffman.

A short summary of the document to appear in the index follows: Memorandum of Lease dated as of October 18, 2006, made with respect to a Railroad Car Lease dated as of March 21, 2005 and Schedule Number 2 thereto dated as of September 27, 2005, between Southern Rail Leasing, Inc., 955 South Virginia Street, Reno, Nevada 89502, as Lessor, and Franklin Industries, Inc., 612 Tenth Avenue, North, Nashville, TN 37203, as Lessee, covering 50 approximately 2,927 cubic foot (nominal) covered hopper cars

Very truly yours,



Philip W. Hoffman  
Vice President  
Southern Rail Leasing, Inc.

**MEMORANDUM OF LEASE**

This MEMORANDUM OF LEASE (this "Memorandum") is made and entered into as of the 18th day of October, 2006, by and between Southern Rail Leasing, Inc., a Nevada corporation ("Lessor"), and Franklin Industries, Inc., a Tennessee corporation ("Lessee").

1. Pursuant to the terms of that certain Railroad Car Lease between Southern Rail Leasing, Inc., a Nevada corporation ("Lessor") and Franklin Industries, Inc., a Tennessee corporation ("Lessee") dated as of March 21, 2005 and Schedule Number 2 thereto dated as of September 27, 2005, as amended from time to time (the "Lease"), Lessor leases to Lessee those certain fifty (50) covered hopper cars (the "Leased Railroad Cars"), more particularly described on Exhibit A attached hereto and made a part hereof.

2. The term of the Lease commenced in 2006 and shall expire as to each of the Leased Railroad Cars on the last day of the month in the year 2015 as such Lease Railroad Car is thereafter no longer eligible for continuation in interchange service. The terms, covenants, conditions, limitations and restrictions governing Lessee's use of the Leased Railroad Cars are set forth in the Lease, which by this reference are incorporated herein.

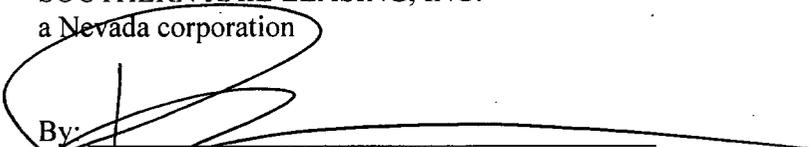
3. The purpose of this Memorandum is to give record notice of the Lease and of the rights created thereby, all of which are hereby confirmed and incorporated herein by reference. All of the terms, covenants and conditions regarding the foregoing are more particularly set forth in the Lease. In the event of conflict between the terms and conditions set forth in this Memorandum and the terms and conditions set forth in the Lease, the terms and conditions of the Lease shall control.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Memorandum to be executed by their respective duly authorized representatives as of the first date set forth above.

Lessor:

SOUTHERN RAIL LEASING, INC.

a Nevada corporation

By: 

Philip W. Hoffman

Its: Vice President

Lessee:

FRANKLIN INDUSTRIES, INC.

By: Robert C. Freas

Name: Robert C. Freas

Title: Vice President Corporate Development

Exhibit "A"

2929 REF  
50 approximately ~~2,292~~ cubic foot (nominal) covered hopper cars

Marks and Numbers

PRIOR NUMBERS

RGCX 37, 45, 48, 53, 54,  
59, 60, 62-69, 75, 77, 78,  
80, 81, 84-90, 95, 96, 106,  
107, 110, 111, 114, 117,  
118, 120-124, 134, 137-  
141, 144, 145, 235, 236

NEW NUMBERS

SRLX 501 - 550