



17 July, 2001

Joseph Transportation Services, Inc.
a subsidiary of Joseph Transportation

Ms. Taledia Stokes
Recordations Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

RECORDATION FILED 22664-B

JUL 18 '01 4: 8 3 PM

Dear Ms. Stokes:

SURFACE TRANSPORTATION BOARD

Please find enclosed one (1) original and one (1) copy of the Memorandum of Options and Rights of First Refusal dated as of February 16, 2001, between the following parties:

Buyer: Preferred Capital, Inc.
6860 West Snowville Road
Suite 110
Brecksville, Ohio 44141

Seller: Joseph Transportation Services, Inc.
300 Pike Street
Cincinnati, OH 45202

Please see Schedule I attached hereto for the equipment, (1) locomotive, involved in this transaction.

This filing is to appear in the index as follows: Memorandum of Options and Rights of First Refusal dated February 16, 2001 related to one (1) locomotive bearing reporting mark DJPX 139.

Please file this as a secondary document under the Recordation Number 22664-B, as it relates to documents previously filed with the Surface Transportation Board under Recordation Numbers 22664 and 22664-A. The filing fee for this document in the amount of \$28.00, is included in the enclosed check # 16096. Please return the original to my attention.

Should you have any questions or need further information, please do not hesitate to contact me at (513) 929-4500 ext. 239.

Sincerely,

Joseph Transportation Services, Inc.

Julie M. Woodard
Documentation Coordinator

Enclosures

MEMORANDUM OF OPTIONS AND RIGHTS OF FIRST REFUSAL

This Memorandum of Options and Rights of First Refusal (the "Memorandum of Rights") is entered into as of the 16th day of February, 2001, by and between JOSEPH TRANSPORTATION SERVICES, INC., a Delaware Corporation, ("Seller") and PREFERRED CAPITAL, INC., an Ohio corporation ("Buyer").

W I T N E S E T H:

WHEREAS, Buyer and Seller are parties to that certain Purchase and Sale Agreement dated as of February 16, 2001, (the "Agreement"), pursuant to which the Buyer purchased Seller's entire right, title and interest in and to the locomotive identified on Schedule I attached hereto (collectively, the "Locomotive");

WHEREAS, the Locomotive is subject to the Lease identified on Schedule I (the "Lease");

WHEREAS, in connection with the transactions contemplated by the Agreement, Buyer granted Seller certain options and rights of first refusal, which the parties intend will operate as a lien on the Locomotive;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions contained herein and in the Agreement, the parties do hereby confirm that the options and rights of first refusal granted Seller by Buyer pursuant to the Agreement shall operate as a lien on said Locomotive and said Locomotive shall not be sold, leased or otherwise transferred by Buyer except in accordance with and subject to the terms and provisions of said options and rights of first refusal.

Upon expiration or termination of said options and rights of first refusal referred to herein, Seller and Buyer shall file an instrument with the Surface Transportation Board of the U.S. Department of Transportation terminating said options and rights of first refusal of record.

This Memorandum of Rights, being further documentation of the sales, conveyances and transactions contemplated by the Agreement, neither expands upon nor limits the rights and obligations of the parties under the Agreement.

RECORDATION NO. 22664-B FILED

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SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Rights to be executed and delivered by their duly authorized representatives as of the date set forth above, but shall be effective as of February 22, 2001.

JOSEPH TRANSPORTATION SERVICES, INC.

By: 
Name: Karen J. Percell
Title: Vice President

PREFERRED CAPITAL, INC.

By: 
Name: J. JEFFREY FARINA
Title: SENIOR VICE PRESIDENT

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this 22nd day of February, 2001, before me the subscriber,
Lindall Buchanan a Notary Public, duly commissioned, qualified and acting, within
and for said County and State, appeared in person the within named Kevin J. Purcell,
to me personally known, who stated and acknowledged that he is the
Vice President of JOSEPH TRANSPORTATION SERVICES, INC., a
Delaware 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 22nd
day of February, 2001.

Lindall Buchanan
(Notary Signature)

My commission expires:

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 23 day of February, 2001, 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 E. AKIL, to me personally known, who stated and acknowledged that he/she is the S.V.P. 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/her 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/she 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 ___ day of February, 2001.

Pamela S Seeker
(Notary Signature)

My commission expires:

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

SCHEDULE I
TO
MEMORANDUM OF OPTIONS AND RIGHTS OF FIRST REFUSAL
LOCOMOTIVE

One (1) Locomotive currently bearing reporting marks as follows:

DJPX 139

LEASE: Dated May 19, 1999, between JOSEPH TRANSPORTATION SERVICES, INC. and CARGILL INCORPORATED.