

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
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RECORDATION NO. 24955 FILED

MAY 17 '04 2-02 PM

SURFACE TRANSPORTATION BOARD

VIA UPS 2nd DAY AIR

May 13, 2004

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 three (3) originals of a Memorandum of Lease Agreement, dated March 31, 2004, 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: Alabama Railcar Services, Inc.
1769 Jodie Parker Road
Ozark, AL 36360

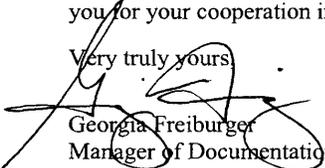
A description of the railroad equipment covered by the enclosed document is one (1) 2743 cubic foot gondola car, with NOKL marks (see Exhibit A for number).

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

Also enclosed is a check in the amount of \$30.00 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 regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosure
(ALAO001)

ASSGN. NO.: ALAO001

MEMORANDUM OF LEASE **MAY 17 '04 2-02 PM**

THIS MEMORANDUM OF LEASE (the "Memorandum") is made SURFACE TRANSPORTATION BOARD 31st day of MARCH, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Alabama Railcar Services, Inc. ("Lessee"), an Alabama corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of MARCH 18, 2004, 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 March 16, 2004, 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 F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

ATTEST:

By: Georgia Freiberger

Name: GEORGIA FREIBURGER

Title: MGR. OF DOCUMENTATION

Executed on this 31st day of March, 2004.

[CORPORATE SEAL]

STATE OF ILLINOIS

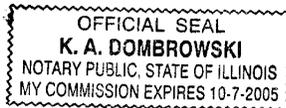
COUNTY OF COOK

I, K. A. Dombrowski, a Notary Public of the County and State aforesaid, certify that RICHARD F. 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 31st day of March, 2004.

K. A. Dombrowski
Notary Public

My Commission Expires:
10-7-2005
(Notary Public)



LESSEE:

ALABAMA RAILCAR SERVICES, INC.

ATTEST:

By: Donna Anderson
Name: Donna Anderson
Title: Office Manager

By: [Signature]
Name: Michael Byrd
Title: President

Executed on this 19 day of March, 2004.

[CORPORATE SEAL]

STATE OF AL.

COUNTY OF Dale

I, Kimberly D. Feaz, a Notary Public of the County and State aforesaid, certify that Michael Byrd 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 19th day of March, 2004.

Kimberly D. Feaz
Notary Public

Commission Expires:

MY COMMISSION EXPIRES 11-07-06

(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: One (1)

DESCRIPTION OF CARS: 5'6" sided, 286,000 lbs. gross rail load, 2743 cu. ft. capacity gondola car.

CAR NUMBERS: NOKL 322111