

June 16, 2004

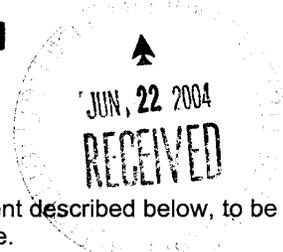
RECORDATION NO. 25001-A FILED

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington DC 20423

JUN 23 '04

5-21 PM

SURFACE TRANSPORTATION BOARD



Dear Secretary:

I have enclosed an original and one copy 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 (Collateral) Assignment of Lease, a secondary document, dated May 27, 2004 and is related to the Security Agreement filed along with this document.

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

Assignor: Browner Turnout Co.
RR 1 Box 45
Brock, NE

Bank: First National Bank & Trust
320 5th Street
PO Box 340
Syracuse, NE 68446

A description of the equipment covered by the document is attached.

A fee of \$30.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to:

Alan Britton
First National Bank & Trust
PO Box 340
Syracuse NE 68446

A short summary of the document to appear in the index follows: Memorandum of (Collateral) Assignment of Lease for: 4 - 52' Gondolas, SFS708 - 711; 10 - 4000 Cu Ft Gondolas, SFS2603-2612; 10 Boxcars, SFS2000 - 2009; 8 - 3250 Cu Ft Gondolas, SYR200301 - 200308; 73 - 70 ton Boxcars bears marks SFS (see exhibit A for numbers)

Very Truly yours,

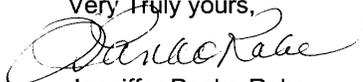

Jenniffer Panko-Rahe

Exhibit "A"
Browner Turnout Co
Railcar Listing by "Mark" Identifier

52' Gondolas	
1 --	SFS708
2 --	SFS709
3 --	SFS710
4 --	SFS711

4000 Cu. Ft. Gondolas	
1 --	SFS2603
2 --	SFS2604
3 --	SFS2605
4 --	SFS2606
5 --	SFS2607
6 --	SFS2608
7 --	SFS2609
8 --	SFS2610
9 --	SFS2611
10 --	SFS2612

Boxcars	
1 --	SFS2000
2 --	SFS2001
3 --	SFS2002
4 --	SFS2003
5 --	SFS2004
6 --	SFS2005
7 --	SFS2006
8 --	SFS2007
9 --	SFS2008
10 --	SFS2009

3250 Cu. Ft. covered Gondolas	
1 --	SYR200301
2 --	SYR200302
3 --	SYR200303
4 --	SYR200304
5 --	SYR200305
6 --	SYR200306
7 --	SYR200307
8 --	SYR200308

70 ton Boxcars	
1 --	SFS00211603
2 --	SFS00211649
3 --	SFS00211744
4 --	SFS00211753
5 --	SFS00211759
6 --	SFS00211760
7 --	SFS00211773
8 --	SFS00211839
9 --	SFS00211843
10 --	SFS00211884
11 --	SFS00212014
12 --	SFS00212023
13 --	SFS00212048
14 --	SFS00212050
15 --	SFS00212052
16 --	SFS00212054
17 --	SFS00212109
18 --	SFS00212128
19 --	SFS00212131
20 --	SFS00212145
21 --	SFS00212165
22 --	SFS00212170
23 --	SFS00212173
24 --	SFS00212199
25 --	SFS00212232
26 --	SFS00212246
27 --	SFS00212221
28 --	SFS00212108
29 --	SFS00212627
30 --	SFS00212255
31 --	SFS00212194
32 --	SFS00212024
33 --	SFS00212203
34 --	SFS00211633
35 --	SFS00212035
36 --	SFS00212130
37 --	SFS00212265
38 --	SFS00212268
39 --	SFS00212276
40 --	SFS00212280
41 --	SFS00212282
42 --	SFS00212289
43 --	SFS00212316
44 --	SFS00212346
45 --	SFS00212440
46 --	SFS00212585
47 --	SFS00212603
48 --	SFS00212662
49 --	SFS00212620
50 --	SFS00212637
51 --	SFS00212646
52 --	SFS00212656
53 --	SFS00212669
54 --	SFS00212716
55 --	SFS00212737
56 --	SFS00212744
57 --	SFS00212749
58 --	SFS00212751
59 --	SFS00212757
60 --	SFS00212758
61 --	SFS00212766
62 --	SFS00212774
63 --	SFS00212785
64 --	SFS00212347
65 --	SFS00212642
66 --	SFS00212103
67 --	SFS00212116
68 --	SFS00212220
69 --	SFS00212692
70 --	SFS00212764
71 --	SFS00212118
72 --	SFS00212270
73 --	SFS00210642

MEMORANDUM OF (COLLATERAL) ASSIGNMENT OF LEASE SURFACE TRANSPORTATION BOARD

This Memorandum of (Collateral) Assignment of Lease is hereby entered into as of this 27th day of May, 2004 by and between the First National Bank & Trust Syracuse, Nebraska, a Nebraska Corporation ("Bank"), and Browner Turnout Co., a Nebraska Corporation ("Assignor").

WITNESSETH:

- 1) The Assignor hereby assigns, transfers and sets over unto Bank, all of the Assignor's right, title and interest (but not its obligations) in certain leases, hereinafter described in paragraph 2 infra, and any other Equipment Riders and schedules thereto (together, the "Lease", whether one or more) and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain railcars identified on the attached Exhibit "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of the settlement for the Railcars which are lost, destroyed or damaged beyond repair and all sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.
- 2) The Assignor has assigned its interest, as set forth in paragraph 1 supra, in the following leases:
 - a) Per Diem Rent Agreement No. LIRC-01, by and between Browner Turnout Co. and Louisville and Indiana Railroad, dated May 10, 2004, including Schedule No. 001 and Exhibit A to Schedule No. 001.
 - b) Railcar Lease, by and between Browner Turnout Co. and Sand and Springs Railway Company (SS), dated October 16, 2002.
 - c) Railcar Lease, by and between Browner Turnout Co. and Arkansas Midland Railroad, dated August 5, 2002.
 - d) Per Diem Agreement No. SRY, by and between Browner Turnout Co. and Southern Railway of British Columbia Limited, dated June 6, 2003, including Schedule No. 01.
- 3) This assignment is given and intended as continuing collateral for the payment of the indebtedness of the Assignor (as "Grantor") to Bank (as "Lender") as provided for in the Commercial Security Agreement dated the 27th day of May, 2004 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or incurred, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in full by the Assignor to Bank of any and all indebtedness of the Assignor to Bank arising under the Agreement and the Promissory Note, while no default exists under any of the other provisions thereof. If such payment in full is made by the Assignor while no such

Exhibit "A"
Browner Turnout Co
 Railcar Listing by "Mark" Identifier

52' Gondolas

- 1 -- SFS708
- 2 -- SFS709
- 3 -- SFS710
- 4 -- SFS711

**4000 Cu. Ft.
Gondolas**

- 1 -- SFS2603
- 2 -- SFS2604
- 3 -- SFS2605
- 4 -- SFS2606
- 5 -- SFS2607
- 6 -- SFS2608
- 7 -- SFS2609
- 8 -- SFS2610
- 9 -- SFS2611
- 10 -- SFS2612

Boxcars

- 1 -- SFS2000
- 2 -- SFS2001
- 3 -- SFS2002
- 4 -- SFS2003
- 5 -- SFS2004
- 6 -- SFS2005
- 7 -- SFS2006
- 8 -- SFS2007
- 9 -- SFS2008
- 10 -- SFS2009

3250 Cu. Ft. covered Gondolas

- | | |
|----------------|----------------|
| 1 -- SYR200301 | 5 -- SYR200305 |
| 2 -- SYR200302 | 6 -- SYR200306 |
| 3 -- SYR200303 | 7 -- SYR200307 |
| 4 -- SYR200304 | 8 -- SYR200308 |

70 ton Boxcars

- | | |
|-------------------|-------------------|
| 1 -- SFS00211603 | 37 -- SFS00212265 |
| 2 -- SFS00211649 | 38 -- SFS00212268 |
| 3 -- SFS00211744 | 39 -- SFS00212276 |
| 4 -- SFS00211753 | 40 -- SFS00212280 |
| 5 -- SFS00211759 | 41 -- SFS00212282 |
| 6 -- SFS00211760 | 42 -- SFS00212289 |
| 7 -- SFS00211773 | 43 -- SFS00212316 |
| 8 -- SFS00211839 | 44 -- SFS00212346 |
| 9 -- SFS00211843 | 45 -- SFS00212440 |
| 10 -- SFS00211884 | 46 -- SFS00212585 |
| 11 -- SFS00212014 | 47 -- SFS00212603 |
| 12 -- SFS00212023 | 48 -- SFS00212662 |
| 13 -- SFS00212048 | 49 -- SFS00212620 |
| 14 -- SFS00212050 | 50 -- SFS00212637 |
| 15 -- SFS00212052 | 51 -- SFS00212646 |
| 16 -- SFS00212054 | 52 -- SFS00212656 |
| 17 -- SFS00212109 | 53 -- SFS00212669 |
| 18 -- SFS00212128 | 54 -- SFS00212716 |
| 19 -- SFS00212131 | 55 -- SFS00212737 |
| 20 -- SFS00212145 | 56 -- SFS00212744 |
| 21 -- SFS00212165 | 57 -- SFS00212749 |
| 22 -- SFS00212170 | 58 -- SFS00212751 |
| 23 -- SFS00212173 | 59 -- SFS00212757 |
| 24 -- SFS00212199 | 60 -- SFS00212758 |
| 25 -- SFS00212232 | 61 -- SFS00212766 |
| 26 -- SFS00212246 | 62 -- SFS00212774 |
| 27 -- SFS00212221 | 63 -- SFS00212785 |
| 28 -- SFS00212108 | 64 -- SFS00212347 |
| 29 -- SFS00212627 | 65 -- SFS00212642 |
| 30 -- SFS00212255 | 66 -- SFS00212103 |
| 31 -- SFS00212194 | 67 -- SFS00212116 |
| 32 -- SFS00212024 | 68 -- SFS00212220 |
| 33 -- SFS00212203 | 69 -- SFS00212692 |
| 34 -- SFS00211633 | 70 -- SFS00212764 |
| 35 -- SFS00212035 | 71 -- SFS00212118 |
| 36 -- SFS00212130 | 72 -- SFS00212270 |
| | 73 -- SFS00210642 |