

FIRST UNION RAIL

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

Tel 847 318-7575
Fax 847 318-7588

RECORDATION NO. 22768-A FILED

AUG 31 '04

2-48 PM

SURFACE TRANSPORTATION BOARD



August 26, 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) copies of a Memorandum of Lease Agreement, dated July 2, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 22768.

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:	Texas Oklahoma & Eastern Railroad Co. 412 E. Lockesburg DeQueen, AR 71832
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A description of the railroad equipment covered by the enclosed document is thirty- seven (37) 73' centerbeam flatcars, with NOKL marks (see Exhibit A for car numbers).

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

Enclosures

(TOE004)

ASSGN. NO.: TOE004

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 2nd day of July, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Texas, Oklahoma & Eastern Railroad Company ("Lessee"), a Washington corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 4 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 1, 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

ATTEST:

By: [Signature]
Name: GEORGIA FREIBURGER
Title: MGR. OF DOCUMENTATION

By: [Signature]
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 2nd day of July, 2004

[CORPORATE SEAL]

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AUG 3 1 '04 2-48 PM

STATE OF ILLINOIS
COUNTY OF COOK

SURFACE TRANSPORTATION BOARD

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 2nd day of July, 2004.

[Signature]
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

TEXAS, OKLAHOMA & EASTERN RAILROAD COMPANY

By: _____

Name: [Signature]

Title: Vice Pres. / Gen. Mgr.

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Arkansas

COUNTY OF Sevier

I, Karen L. Neumeier, a Notary Public of the County and State aforesaid, certify that J.D. Wentback personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 23rd day of June, 2004.

Karen L. Neumeier
Notary Public

Commission Expires:

9-14-2007
(Notary Public)

Karen L. Neumeier, Notary Public
Sevier County, Arkansas
My Commission Expires 9-14-2007

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Thirty-seven (37)

DESCRIPTION OF CARS: 73' Centerbeam Flatcars, loading to 263,000 lbs. gross weight on rail

CAR NUMBERS:

NOKL730900	NOKL730912	NOKL730925
NOKL730901	NOKL730913	NOKL730926
NOKL730902	NOKL730914	NOKL730928
NOKL730903	NOKL730915	NOKL730929
NOKL730904	NOKL730917	NOKL730930
NOKL730905	NOKL730918	NOKL730931
NOKL730906	NOKL730919	NOKL730932
NOKL730907	NOKL730920	NOKL730933
NOKL730908	NOKL730921	NOKL730934
NOKL730909	NOKL730922	NOKL730936
NOKL730910	NOKL730923	NOKL730937
NOKL730911	NOKL730924	NOKL730938
		NOKL730939

Count: 37