

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-B FILED

VIA UPS 2nd DAY AIR

MAY 10 '05 12-35 PM

May 5, 2005

SURFACE TRANSPORTATION BOARD

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

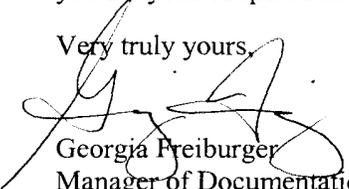
A description of the railroad equipment covered by the enclosed document is sixty (60) 50'6" Plate "F" boxcars, with NOKL marks (see Exhibit A for car numbers).

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

Also enclosed is a check in the amount of \$32.00 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

(TOE007)

MAY 10 '05 12-35 PM

ASSGN. NO.: TOE007

MEMORANDUM OF LEASE SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 10th day of November, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Texas, Oklahoma & Eastern Railroad Company ("Lessee"), an Oklahoma corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of January 1, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 7 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 17, 2005, 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: Theresa Catapano

Name: THERESA CATAPANO

Title: MGR. OF DOCUMENTATION Executed on this 10th day of November 2004

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

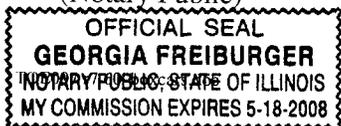
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 10th day of November 2004

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

TEXAS, OKLAHOMA & EASTERN RAILROAD COMPANY

ATTEST:

By: _____

Name: J. D. Wootch

Title: Vice Pres / Gen Mgr

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Arkansas

COUNTY OF Sevier

I, Gloria Jean Caldwell, a Notary Public of the County and State aforesaid, certify that J. D. Wootch 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 5th day of November, 2004.

Gloria Jean Caldwell, Notary Public
Sevier County, Arkansas
My Commission Expires 9-14-2007

Gloria Jean Caldwell
Notary Public

Commission Expires:

9-14-2007

(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

- I. NUMBER OF CARS: Sixty (60)
- II. DESCRIPTION OF CARS: 50'6" Plate F Boxcars, 6269 cu. ft. with 12' plug doors, loading to 286,000 pounds. Car Type A406.
- III. CAR NUMBERS:
- | | | |
|-------------|-------------|-------------|
| NOKL 570252 | NOKL 570361 | NOKL 570536 |
| NOKL 570253 | NOKL 570363 | NOKL 570537 |
| NOKL 570259 | NOKL 570365 | NOKL 570539 |
| NOKL 570271 | NOKL 570366 | NOKL 570540 |
| NOKL 570279 | NOKL 570368 | NOKL 570546 |
| NOKL 570285 | NOKL 570373 | NOKL 570571 |
| NOKL 570290 | NOKL 570382 | NOKL 570591 |
| NOKL 570297 | NOKL 570402 | NOKL 570594 |
| NOKL 570299 | NOKL 570411 | NOKL 570598 |
| NOKL 570300 | NOKL 570412 | NOKL 570601 |
| NOKL 570302 | NOKL 570414 | NOKL 570603 |
| NOKL 570305 | NOKL 570415 | NOKL 570612 |
| NOKL 570311 | NOKL 570502 | NOKL 570623 |
| NOKL 570313 | NOKL 570507 | NOKL 570626 |
| NOKL 570317 | NOKL 570509 | NOKL 570631 |
| NOKL 570318 | NOKL 570510 | NOKL 570665 |
| NOKL 570324 | NOKL 570512 | NOKL 570668 |
| NOKL 570326 | NOKL 570517 | NOKL 570670 |
| NOKL 570340 | NOKL 570519 | NOKL 570673 |
| NOKL 570358 | NOKL 570531 | NOKL 570696 |