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SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

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

Tel 847.318.7575
Fax. 847 318.7588

VIA UPS 2nd DAY AIR

August 29, 2007

Mr. Vernon Williams
Surface Transportation Board
395 E Street, Suite 100
Washington, DC 20024
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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated February 2, 2007, 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 22145.

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: Southwest Rail Industries, Inc.
601 South East Street
Weimar, TX 78962

A description of the railroad equipment covered by the enclosed document is twenty-six (26) 25,500 to 27,000 gallon capacity tank cars, with TGOX 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 \$35.00 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) 384-5397. Thank you for your cooperation in this matter.

Very truly yours.

Marcia Dunne
Rail Documentation Specialist

Enclosures

(SRII028)

ASSGN. NO. SRII028

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MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1st day of February, 2007, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Southwest Rail Industries, Inc. ("Lessee"), a Texas corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of June 1, 1993 as amended and assigned thereto, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 22 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of _____, 2006 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: Richard F. Seymour

Name: _____

Title: _____

By: Susan Grokulsky

Name: SUSAN GROKULSKY

Title: ASST. DIRECTOR DOCUMENTATION Executed on this 1st day of February, 2007.

[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 due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 1st day of February, 2007.

Georgia Freiburger
Notary Public

My Commission Expires: 5-2008
(Notary Public)



LESSEE:

SOUTHWEST RAIL INDUSTRIES, INC.

By: Jason Huette
Name: Jason F. Huette
Title: Vice President

ATTEST:

By: Rawson
Name: Rawson
Title: VP

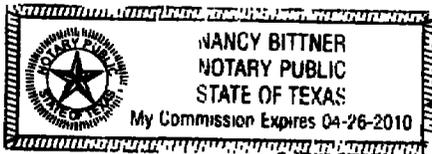
Executed on this 26TH day of January, 2006.

[CORPORATE SEAL]

STATE OF Texas
COUNTY OF Colorado

I, NANCY BITTNER, a Notary Public of the County and State aforesaid, certify that JASON F HUETTE 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 26th day of January, 2006.



Nancy Bittner
Notary Public

Commission Expires:

4-26-2010
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty-six (26)

DESCRIPTION OF CARS: 25,500-27,000 gallon, insulated, exterior coiled, tank cars,
DOT111J100W3, Equipped with bottom outlet valves, top
unloading and hinged manways.

CAR NUMBERS:

TGOX	001901
TGOX	001902
TGOX	001903
TGOX	001904
TGOX	001906
TGOX	001907
TGOX	001908
TGOX	001909
TGOX	001910
TGOX	001913
TGOX	001914
TGOX	001918
TGOX	001919
TGOX	001920
TGOX	001921
TGOX	001922
TGOX	001923
TGOX	001924
TGOX	001926
TGOX	001927
TGOX	001928
TGOX	001930
TGOX	001932
TGOX	001933
TGOX	001935
TGOX	001937