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SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

One O'hare Centre
6250 River Rd, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588
www.firstunionrail.com

VIA UPS 2nd DAY AIR

July 5, 2012

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Section Chief:

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 June 15, 2012, 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 Surface Transportation Board under Recordation Number 27786.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 N. River Road, Suite 5000
Rosemont, IL 60018

Lessee: Sabine River & Northern Railroad Company
5830 Old Highway 87
Orange, TX 77632

A description of the railroad equipment covered by the enclosed document is for sixty-five (65) boxcars; having 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 \$41.00 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.

Sincerely,



Marcia Dunne
Senior Rail Documentation Specialist

Enclosures

(SRN002)

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ASSGN. NO.: SRN002

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 15 day of June, 2012, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and SABINE RIVER & NORTHERN RAILROAD COMPANY ("Lessee"), a Texas corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of December 17, 2008, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 30, 2011, 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: [Signature]

Name: JOHN J. THOMAS

Title: PRESIDENT

ATTEST:

[Signature]
By: [Signature]
Name: GEORGE A. TREIBURGER

Title: MANAGER OF DOCUMENTATION Executed on this 15th day of June, 2012

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that JOHN J. THOMAS 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 15th day of June, 2012.

[Signature]
Notary Public

My Commission Expires:
8-14-2012
(Notary Public)



LESSEE:

SABINE RIVER & NORTHERN RAILROAD COMPANY

ATTEST:

By: David Kleinknecht

Name: DAVID KLEINKNECHT

Title: GENERAL MANAGER

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Texas

COUNTY OF Orange

I, Jill D. Lomand, a Notary Public of the County and State aforesaid, certify that David Kleinknecht 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 May, 2012.

Jill D. Lomand
Notary Public

Commission Expires:

10-23-12
(Notary Public)

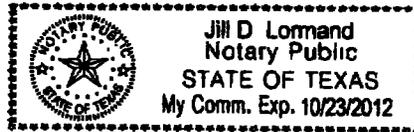


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Sixty-five (65)

DESCRIPTION OF CARS: 50'6" boxcars, Plate "F" with 12' plug doors and 286,000 GRL. (Car Type: A406)

CAR NUMBERS:

NOKL 570333	NOKL 570538	NOKL 570624
NOKL 570342	NOKL 570541	NOKL 570625
NOKL 570379	NOKL 570548	NOKL 570627
NOKL 570500	NOKL 570552	NOKL 570633
NOKL 570501	NOKL 570553	NOKL 570634
NOKL 570503	NOKL 570556	NOKL 570635
NOKL 570504	NOKL 570559	NOKL 570636
NOKL 570505	NOKL 570560	NOKL 570637
NOKL 570506	NOKL 570561	NOKL 570645
NOKL 570508	NOKL 570566	NOKL 570663
NOKL 570511	NOKL 570569	NOKL 570664
NOKL 570513	NOKL 570577	NOKL 570666
NOKL 570514	NOKL 570588	NOKL 570667
NOKL 570516	NOKL 570589	NOKL 570671
NOKL 570520	NOKL 570593	NOKL 570672
NOKL 570521	NOKL 570596	NOKL 570674
NOKL 570524	NOKL 570597	NOKL 570681
NOKL 570528	NOKL 570605	NOKL 570684
NOKL 570529	NOKL 570606	NOKL 570688
NOKL 570532	NOKL 570610	NOKL 570692
NOKL 570533	NOKL 570614	NOKL 570699
NOKL 570535	NOKL 570615	