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A PROFESSIONAL CORPORATION

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McLEAN, VA
ROCKVILLE, MD
TOWSON, MD
WASHINGTON, D.C.

January 15, 1998

RECORDATION NO. 21162 FILED

via FEDERAL EXPRESS

JAN 16 '98

12-11 PM

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

JAN 16 12 11 PM '98
RECEIVED
SURFACE TRANSPORTATION
BOARD

Re: Our File No.: 258-1799

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement dated as of December 31, 1997 between The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) and St. Lawrence & Atlantic Railroad Company (96 S. George Street, York, Pennsylvania 17401).

Also enclosed is a check in the amount of \$24.00 to cover the costs of recording this document.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (410) 385-3425.

Sincerely,



Michele E. Sperato
Assistant to John A. Stalfort

Enclosures

STATE OF MARYLAND

SS:

CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement is a true and complete copy of such Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement.

WITNESS my hand and seal this 15th day of January, 1998.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001

RECORDATION NO. 21167 FILED

JAN 16 '98

12-11 PM

THE FIRST NATIONAL BANK OF MARYLAND

**MEMORANDUM OF SCHEDULE NO. 1 TO RAILROAD EQUIPMENT
LEASE AGREEMENT**

dated as of December 31, 1997

between

THE FIRST NATIONAL BANK OF MARYLAND,

as Lessor

and

ST. LAWRENCE & ATLANTIC RAILROAD COMPANY

as Lessee

MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT
LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT LEASE AGREEMENT is made and entered into as of December 31, 1997 by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association ("Lessor"), and ST. LAWRENCE & ATLANTIC RAILROAD COMPANY, a Delaware corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain locomotives as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule No. 1 dated December 31, 1997 between Lessor and Lessee to the Master Railroad Equipment Lease Agreement dated as of December 31, 1997 between Lessor and Lessee (collectively, the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each locomotive shall be as set forth in Schedule No. 1.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement to be executed as of the date first above written.

THE FIRST NATIONAL BANK OF MARYLAND, Lessor

By: Richard M. Folio
Richard M. Folio
Vice President

ST. LAWRENCE & ATLANTIC RAILROAD COMPANY,
Lessee

By: _____
Name:
Title:

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this 31st day of December, 1997 before me appeared, Richard M. Folio, to me personally known, who being by me duly sworn, says that he is an Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on December 31 1997 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Michelle E. Sperato
Notary Public

[Notary Seal]

My commission expires: January 28, 2001

MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT
LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILROAD EQUIPMENT LEASE AGREEMENT is made and entered into as of December 31, 1997 by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association ("Lessor"), and ST. LAWRENCE & ATLANTIC RAILROAD COMPANY, a Delaware corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain locomotives as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule No. 1 dated December 31, 1997 between Lessor and Lessee to the Master Railroad Equipment Lease Agreement dated as of December 31, 1997 between Lessor and Lessee (collectively, the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each locomotive shall be as set forth in Schedule No. 1.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule No. 1 to Railroad Equipment Lease Agreement to be executed as of the date first above written.

THE FIRST NATIONAL BANK OF MARYLAND, Lessor

By: _____
Richard M. Folio
Vice President

ST. LAWRENCE & ATLANTIC RAILROAD COMPANY,
Lessee

By: Scott F. Ziegler
Name: Scott F. Ziegler
Title: VP - Finance & Controller

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this ____ day of December, 1997 before me appeared, Richard M. Folio, to me personally known, who being by me duly sworn, says that he is an Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on December __, 1997 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Notary Public

[Notary Seal]

My commission expires:

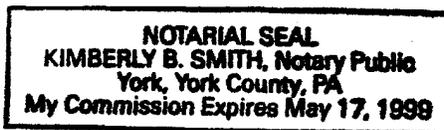
STATE OF PA, CITY OF York, TO WIT:

On this 31st day of December, 1997 before me appeared, Scott F. Ziegler, to me personally known, who being by me duly sworn, says that he is a V.P. Finance, of St. Lawrence & Atlantic Railroad Company, a Delaware corporation, that said instrument was signed and sealed on December 31, 1997 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kimberly B. Smith
Notary Public

[Notary Seal]

My commission expires:



J:Bond/Michele/Emon(1799)/FN179907.MEM/mes

DESCRIPTION OF LOCOMOTIVES

1. EMD SW-1, Road No. BMS 731, Serial No. E-999-18
2. EMD SW-1, Road No. BMS 741, Serial No. E-898-14