

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

MAY 5 10 20 AM '94

NorRail®, Inc.  
Buying, Selling, Leasing  
And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K. Street NW, Suite 700  
Washington, D.C. 20423

RECORDATION NO. 21368 FILED April 28, 1998

MAY 5 '98 10-20AM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of September 17, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

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

Lessor: NorRail, Inc.  
308 - 12th Avenue South  
Buffalo, MN 55313  
Phone: 612-557-0215

Lessee: Lycoming Valley Railroad Company  
356 Priestley Avenue  
Northumberland, PA 17857  
Phone: 717-473-7949

The enclosed Memorandum of Railcar Lease Agreement covers fifty (50) 110T Gondolas. Enclosed is our check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return two each stamped copies of the enclosed documents to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad  
Vice President & General Counsel  
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

RECORDATION NO. 21368 FILED

MAY 5 '98 10-20AM

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of April \_\_, 1998 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Lycoming Valley Railroad Company, a Pennsylvania Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1781 dated April \_\_, 1998 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the fifty (50) 52'6", 110 Ton Mill Gondola bearing reporting marks and numbers as follows, LVRR100 through LVRR149, inclusive.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

LESSOR: NorRail, Inc.

By: [Signature]

Its: V. P. Sales

By: [Signature]

Its: Vice President

LESSEE: Lycoming Valley Railroad Company

By: [Signature]

Its: President

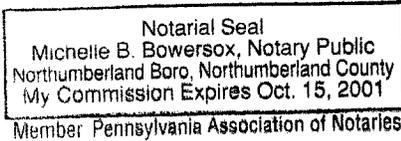
By: [Signature]

Its: V. P. - Marketing

STATE OF PA, COUNTY OF Northumberland TO WIT:

On this 20<sup>th</sup> day of April, 1998 before me personally appeared, Richard D. Robey and Dennis E. Shaffer, to me personally known, who being by me duly sworn, says that they are the President and V.P. - Marketing, respectively of Lycorning Valley Railroad Co., Inc., a \_\_\_\_\_ Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



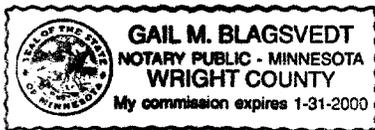
Michelle B. Bowersox  
Notary Public

My commission expires: 10/15/01

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 27<sup>th</sup> day of April, 1998 before me personally appeared, Lee Struble and Russell S. Adams, to me personally known, who being by me duly sworn, says that they are the V.P. Sales and Vice President, respectively of NorRail, Inc. a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Gail M. Blagsvedt  
Notary Public

My commission expires: 1-31-2000