



DONELAN CLEARY
WOOD & MASER, P.C.

22217
JUN 30 1999

June 30, 1999

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New Recordation No.

Dear Mr. Williams:

On behalf of Flex Leasing I, LLC, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a primary document, not previously recorded, entitled Memorandum of Use Agreement ("Lease").

The parties to the enclosed Lease are:

Flex Leasing I, LLC - LESSOR
Suite 300
234 Front Street
San Francisco, CA 94111

Maryland Midland Railway, Inc. - LESSEE
P.O. Box 1000
Union Bridge, MD 21791

The said Lease, among other things, acts to lease the equipment listed in Annex A to the Lessee by the Lessor.

The equipment covered by the instant Lease is as identified in Annex A thereto.

A short summary of the Lease to appear in the Surface Transportation Board Index is as follows:

"Covers 25 Covered Hopper cars, LW 3200-3224, as listed in Annex A."

Please enter under this Recordation No. the following cross index reference:

"See Recordation No. 21888-G."

Enclosed is a check in the amount of fifty-two dollars (\$52.00) in payment of the filing fee (\$26.00) and the cross indexing fee (\$26.00).

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the

ATTORNEYS AND COUNSELORS AT LAW

1100 New York Avenue, Suite 750, N.W., Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

For Mr. Williams, O.H. Williams

#6310

letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink that reads "Allen H. Harrison, Jr." The signature is written in a cursive style with a large initial "A".

Allen H. Harrison, Jr.
*Attorney for Flex Leasing
I. LLC, for the purpose
of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423
Enclosures

BY HAND

8207-020

MEMORANDUM OF USE AGREEMENT

FLEX LEASING I, LLC, a Delaware limited liability company ("Lessor") having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, as successor lessor by assignment from Flex Leasing Corporation, a Delaware corporation ("Flex"), having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, as agent for Louisville and Wadley Railway Company, is a party to a certain (unfiled) letter agreement for the use of freight cars dated as of June 24, 1999 (the "Use Agreement") with MARYLAND MIDLAND RAILWAY, INC. ("Lessee") with its mailing address at P.O. Box 1000, Union Bridge, MD 21791, covering the railcars listed on Annex A attached hereto.

Dated as of JUNE 30, 1999

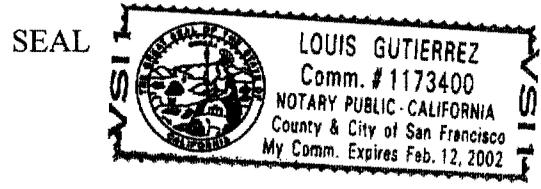
FLEX LEASING I, LLC

Desmond Hayes
President

STATE OF CA)
) ss:
COUNTY OF SF)

On this 25th day of June, 1999, personally came before me, Desmond P. Hayes, who, being by me duly sworn, says he is President of Flex Leasing I, LLC and that said writing was signed on the date hereof by him on behalf of said company by its authority duly given. The said President acknowledged the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 25th day of June, 1999.



Notary Public
My Commission Expires: 2/12/2002

ANNEX A

Description of Equipment

Twenty-Five (25) 3,250 cu.ft. Covered Hoppers numbered:

LW 3200 through 3224 inclusive

[Maryland Midland]