FIRST UNION RAIL

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

Tel 847.318.7575
Fax 847.318.7588

RECEIVED NOV 14 2003 MAIL MANAGEMENT STB

REGISTRATION NO. 24697 FILED

NOV 17 '03 11-53 AM

SURFACE TRANSPORTATION BOARD

***VIA UPS NEXT DAY AIR***

November 13, 2003

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
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 three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated October 24, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

| | | | |
|---|---|---|---|
| Lessor: | First Union Rail Corporation<br>One O'Hare Center<br>6250 River Road, Suite 5000<br>Rosemont, IL 60018 | Lessee: | Escanaba & Lake Superior Railroad Co.<br>P.O. Box 217<br>Wells, Michigan 49894-0693 |

A description of the railroad equipment covered by the enclosed document is seven (7) 56'8" inside length, bulkhead flatcars with side stakes, with car numbers FURX 50017 - FURX 50023, inclusive.

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of $30.00 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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Grokulsky

Susan Grokulsky
Manager of Documentation

Enclosures

(ELS001)

ASSGN. NO.: ELS001

**MEMORANDUM OF LEASE**

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 24th day of October, 2003, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Escanaba & Lake Superior Railroad Company ("Lessee"), a corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 17, 2003, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of September 17, 2003, 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: Richard F. Seymour

Name: RICHARD F. SEYMOUR

Title: Vice President Sales & Marketing

ATTEST:

By: K. A. Domsrowski

Name: K.A. DOMSROWSKI

Title: DIRECTOR OF DOCUMENTATION

Executed on this 24th day of October, 2003.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR 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 24th day of October, 2003.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)

OFFICIAL SEAL
SUSAN GROKULSKY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8-14-2004

RECORDATION NO. 24697 FILED

NOV 17 '03 11-53 AM

SURFACE TRANSPORTATION BOARD

**LESSEE:**

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY

By: John Larkin

Name:

Title: President

Executed on this 15th day of October, 2003.

ATTEST:

By: Thomas J. Klimek

Name: Thomas J. Klimek

Title: Vice-President

[CORPORATE SEAL]

STATE OF MICHIGAN

COUNTY OF DELTA

I, HOLLY ANN CANULL, a Notary Public of the County and State aforesaid, certify that JOHN LARKIN 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 October, 2003.

Holly Ann Canull
Notary Public

HOLLY ANN CANULL
Notary Public, Delta County, MI
My Commission Expires Dec. 14, 2006

Commission Expires:

12-14-2006
(Notary Public)

**EXHIBIT A**
**to**
**MEMORANDUM OF LEASE**

| | |
|---|---|
| NUMBER OF CARS: | Seven (7) |
| DESCRIPTION OF CARS: | 100-ton, 56'8" inside length, bulkhead flat cars equipped with side stakes. |
| CAR NUMBERS: | FURX 50017 through FURX 50023, inclusive |