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RECORDATION NO. 26232 FILED

MAR 02 '06 2:37 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

March 2, 2006

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of September 28, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessor:	M&T Credit Services, LLC 25 South Charles Street Baltimore, Maryland 21202
Lessee:	New York Susquehanna and Western Railway Corporation 1 Railroad Avenue Cooperstown New York 13326

Mr. Vernon A. Williams
March 2, 2006
Page 2

A description of the railroad equipment covered by the enclosed document is:

2 locomotives: NYSW 3672 (formerly SIXX 75) and NYSW 3674 (formerly RRPX 85).

A short summary of the document to appear in the index is:

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 26232 FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of September 28, 2005

between

M&T CREDIT SERVICES, LLC
as Lessor

and

THE NEW YORK SUSQUEHANNA AND WESTERN RAILWAY CORPORATION
as Lessee

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of September 28, 2005 by and between M&T CREDIT SERVICES, LLC (the "Lessor") and THE NEW YORK SUSQUEHANNA AND WESTERN RAILWAY CORPORATION (the "Lessee"), with reference to the following:

1. The Lessor has agreed to lease to the Lessee, and the Lessee has agreed to lease from the Lessor, those certain locomotives described on Exhibit No. 1 attached hereto.

All of such locomotives are more fully described in that certain Master Equipment Lease dated as of August 26, 2002 and that certain Equipment Schedule No. 8 thereto and incorporating the terms thereof dated as of September 28, 2005 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between the Lessor, as lessor, and the Lessee, as lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

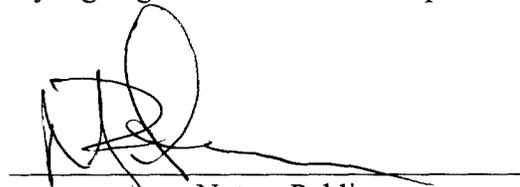
This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

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STATE OF New York)
)
COUNTY OF OTSEGO) SS.

I HEREBY CERTIFY, that on this 29 day of SEPTEMBER, 2005, before me, the undersigned, a Notary Public of the State of NEW YORK, personally appeared TABETHA RAINSONE, who acknowledged her/himself to be the Vice President of THE NEW YORK SUSQUEHANNA AND WESTERN RAILWAY CORPORATION, known (or satisfactorily proven), to be the person whose name is subscribed to the within instrument, and acknowledged that s/he executed the same for the purposes therein contained as the duly authorized Vice President of said corporation by signing the name of the corporation by her/himself as the VICE PRESIDENT.

AS WITNESS my hand and notarial seal.



Notary Public

My Commission Expires:

NATHAN R. FENNO
Notary Public, State of New York
Otsego County, No. 4786561
My Term Expires 3/30/2007

EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT

DESCRIPTION OF LOCOMOTIVES

Two (2) M636 diesel locomotives bearing the following reporting marks and numbers:

No.	<u>Current Marks</u>	<u>Previous Marks</u>
1.	NYSW 3672	SIXX 75
2.	NYSW 3674	RRPX 85