

TROUTMAN SANDERS LLP

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August 3, 2000

RECORDATION NO. 23037 FILED

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Room 704
Washington, D.C. 20423

AUG 03 00 3:59 PM

SURFACE TRANSPORTATION BOARD

RE: Railcar File No. _____
7 Gondola Cars Leased to Paducah & Louisville Railway, Inc.

Dear Secretary Williams:

I am enclosing herewith two duplicate originals of the primary document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. A description of the equipment covered by the document follows hereafter.

Primary Document: The primary document is a Memorandum of Lease dated August 1, 2000 between Southern Rail Leasing, Inc., 4401 Shallowford Road, Roswell, GA 30075 ("Lessor"), and Paducah & Louisville Railway, Inc., 1500 Kentucky Avenue, Paducah, KY 42003 ("Lessee"), pertaining to 7 gondola cars specified hereinafter.

The names and addresses of the parties to the primary document are as follows:

Lessee:

Paducah & Louisville Railway, Inc.
1500 Kentucky Avenue
Paducah, KY 42003

Lessor:

Southern Rail Leasing, Inc.
4401 Shallowford Road
Roswell, GA 30075

The Honorable Vernon A. Williams
August 3, 2000
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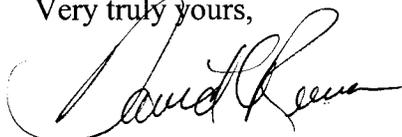
A description of the equipment covered by the document follows:

7 gondola cars, numbered PAL 247000, PAL 247001, PAL 247501, PAL 247502, PAL 247503, PAL 247504 and PAL 247505.

Summary for the index: The primary document is a Memorandum of Lease between Southern Rail Leasing, Inc., ("Lessor") and Paducah & Louisville Railway, Inc. ("Lessee"), of the addresses shown above, dated August 1, 2000, and covering 7 gondola cars numbered PAL 247000, PAL 247001, PAL 247501, PAL 247502, PAL 247503, PAL 247504 and PAL 247505.

Enclosed please find a check for this filing in the amount of \$26.00. Please return all enclosed documents not needed by the Board for recordation to the person delivering the filing.

Very truly yours,



David C. Reeves
Attorney for Paducah & Louisville Railway, Inc.

AUG 03 2000

3:59 PM

MEMORANDUM OF LEASE**SURFACE TRANSPORTATION BOARD**

This MEMORANDUM OF LEASE is made as of this 1st day of August, 2000, by and between SOUTHERN RAIL LEASING, INC., whose mailing address is 4401 Shallowford Road, Roswell, GA 30075, as Lessor, and PADUCAH & LOUISVILLE RAILWAY, INC., whose address is 1500 Kentucky Avenue, Paducah, Kentucky, 42003, as Lessee.

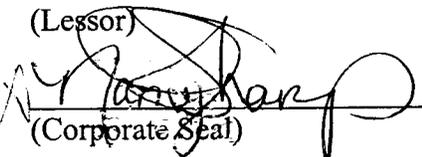
WITNESSETH:

1. The Lessor and Lessee have entered into a certain lease agreement dated June 22, 1999, as amended effective January 1, 2000 (the "Lease"), whereby Lessor has leased to the Lessee the rail cars more particularly described on Exhibit A attached hereto, subject to the terms, covenants and agreements set forth in the Lease.

2. The execution and delivery of this MEMORANDUM OF LEASE is not intended to and shall not change, modify, amend or enlarge the provisions of the Lease (including modifications thereto executed by Lessee and Lessor, whether or not recorded with the Surface Transportation Board). The Lessor and Lessee agree that this MEMORANDUM OF LEASE shall be recorded with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301 (1994 and Supp. II 1996).

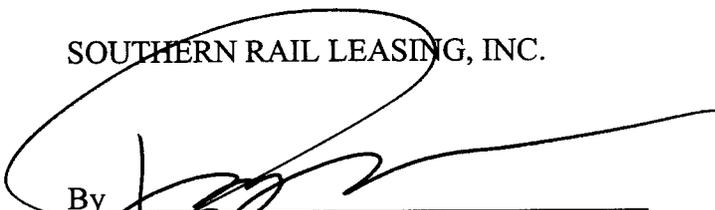
IN WITNESS WHEREOF, the parties hereto have caused this MEMORANDUM OF LEASE to be duly executed by their duly authorized representatives as of this 1st day of August, 2000.

Attest:
(Lessor)


(Corporate Seal)

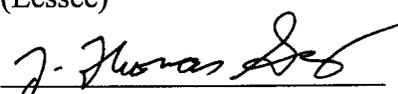
Lessor:

SOUTHERN RAIL LEASING, INC.

By 

Name: Philip Hoffman
Title: Vice President

Attest:
(Lessee)


(Corporate Seal)

Lessee:

PADUCAH & LOUISVILLE RAILWAY,
INC.

By 

Name: ANTHONY V. RECK
Title: PRESIDENT + CEO

EXHIBIT A

The foregoing MEMORANDUM OF LEASE between SOUTHERN RAIL LEASING, INC., and PADUCAH & LOUISVILLE RAILWAY, INC., pertains to the following gondola cars:

PAL 247000

PAL 247001

PAL 247501

PAL 247502

PAL 247503

PAL 247504

PAL 247505

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO

}
}SS

On August 1, 2000, before me, the undersigned, a Notary Public in and for the State of California, personally appeared Philip W. Hoffman known to me to the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

Witness my hand and official seal.

SIGNATURE

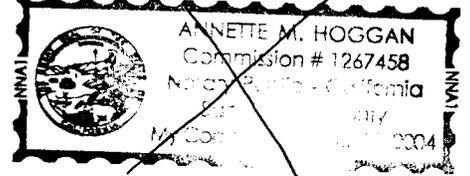
Annette M. Hoggan, notary public

NOTARY IN AND FOR THE STATE OF CALIFORNIA

Annette M. Hoggan

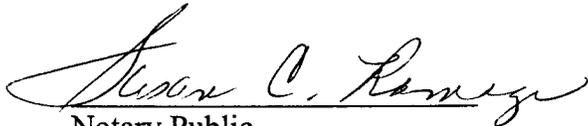
NAME [Typed or printed]

[SEAL]



STATE OF KENTUCKY)
) SS
COUNTY OF McCracken)

On this 31st day of ^{July 31st} ~~August~~, 2000, in McCracken County, Kentucky, before me personally appeared ANTHONY V. RECK, to me personally known, who being by me duly sworn, says that [s]he is the PRESIDENT & CEO of PADUCAH & LOUISVILLE RAILWAY, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[NOTARIAL SEAL]

My commission expires: 10-10-2001