

LAW OFFICES
ALLEN H. HARRISON, JR.
SUITE 706
2009 NORTH 14TH STREET
ARLINGTON, VIRGINIA 22201

TELEPHONE (703) 524-8309
FAX (703) 524-3035

July 31, 2002

New Recordation No.

RECORDATION NO. 24116 FILED

SEP 20 02 3-03 PM

SURFACE TRANSPORTATION BOARD

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 Lease ("Lease") dated as of July 31, 2002.

The parties to the enclosed Lease are:

Flex Leasing I, LLC Suite 730 221 Main Street San Francisco, CA 94105	-	LESSOR
New York & Atlantic Railway Company 68-01 Otto Road Glendale, NY 11385	-	LESSEE

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

The equipment covered by the instant Lease is as identified in Annex A thereto, copy attached, namely 40 gondolas, MS3071-3110.

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

"Lease of 40 gonolas, MS3071-3110."

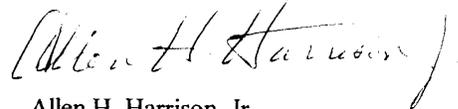
Please enter under this Recordation No. the following cross index reference:

"See Recordation No. 21888-U."

Enclosed is a check in the amount of sixty dollars (\$60.00) in payment of the filing fee (\$30.00) and the cross indexing fee (\$30.00).

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 letter 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 cursive script that reads "Allen H. Harrison, Jr." with a flourish at the end.

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

8212-020

ANNEX A

Description of Equipment

Forty (40) 52', 110 ton mill gondolas with 5'6" sides, 2.743 cu. ft. capacity and
286,000 lb. gross rail load, numbered:

MS 3071 through MS 3110 inclusive

[NY & Atlantic Railway Company]

New Rec. No.

MEMORANDUM OF LEASE

FLEX LEASING I, LLC, a Delaware limited liability company ("Lessor"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, as successor lessor by assignment from Flex Leasing Corporation, a Delaware corporation ("Flex"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, is a party to a certain (unfiled) lease agreement dated as of May 1, 2002 (the "Lease") with NEW YORK & ATLANTIC RAILWAY COMPANY ("Lessee"), having its chief executive office at 68-01 Otto Road, Glendale, New York 11385, covering the railcars listed on Annex A attached hereto.

Dated as of July 31, 2002

FLEX LEASING I, LLC


Desmond P. Hayes
President

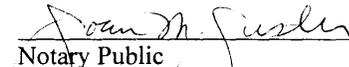
STATE OF CA)
) ss:
COUNTY OF SF)

On this 30th day of July, 2002, 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. And the said President acknowledged the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 30th day of July, 2002.

SEAL




Notary Public
My Commission Expires: June 28, 2005

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