

RECORDATION NO.

24199-J
FILED

FIRST UNION RAIL

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

Tel 847.318.7575
Fax 847.318.7588

MAY 17 '04 3-27 PM

SURFACE TRANSPORTATION BOARD



UPS 2nd DAY AIR

May 13, 2004

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 of a Memorandum of Lease Agreement, dated April 2, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24199.

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

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Georgia Southwestern Railroad
78 Pulpwood Road
Dawson, GA 39842

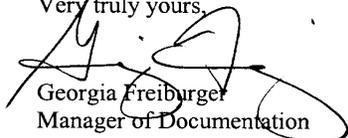
A description of the railroad equipment covered by the enclosed document is four (4) 4750 cu. ft. covered hopper cars, with NOKL marks (see Exhibit A for car numbers).

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) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures
(GSWR020)

ASSGN. NO.: GSWR020

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 2nd day of April, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Georgia Southwestern Railroad ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of March 1, 2002, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 15 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 1, 2004 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

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

By: K. A. Dombrowski
Name: K. A. Dombrowski

Title: DIRECTOR OF DOCUMENTATION

Executed on this 2nd day of April, 2004

[CORPORATE SEAL]

STATE OF ILLINOIS

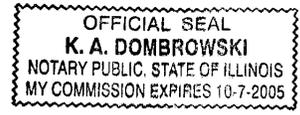
COUNTY OF COOK

I, K.A. Dombrowski, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 2nd day of April, 2004.

K. A. Dombrowski
Notary Public

My Commission Expires:
10-7-2005
(Notary Public)



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LESSEE:

GEORGIA SOUTHWESTERN RAILROAD

By: Terry R. Small

Name: Georgia Southwestern Railroad, Inc.

Title: By Terry R. Small, Its President

ATTEST:

By: David L. Smoot

Name: Georgia Southwestern Railroad, Inc.
By David L. Smoot Its Secretary/Treasurer

Title: _____ Executed on this 15th day of MARCH, 2004

[CORPORATE SEAL]

STATE OF GA

COUNTY OF Terrell

I, Carlton Crimes, a Notary Public of the County and State aforesaid, certify that Terry Small personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 15th day of March, 2004.

Carlton J. Crimes
Notary Public

Commission Expires:

MY COMMISSION EXPIRES MARCH 6, 2008

(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Four (4)

DESCRIPTION OF CARS: 4750 cubic foot capacity, covered hopper cars, equipped with gravity gates and trough hatches.

CAR NUMBERS: NOKL 816690, NOKL 829370, NOKL 829371, NOKL 829372