

FIRST UNION RAIL

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

Tel 847 318-7575
Fax 847 318-7588



VIA UPS 2nd DAY AIR

July 21, 2004

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

RECORDATION NO. 24642-A FILED

JUL 27 '04 4-20 PM

SURFACE TRANSPORTATION BOARD

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 June 17, 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 24642.

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

| | |
|--|--|
| <p>Lessor: First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018</p> | <p>Lessee: MHF - LS Equipment Inc. 800 Cranberry Woods Drive, Suite 450 Cranberry Township, PA 16066</p> |
|--|--|

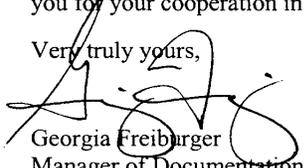
A description of the railroad equipment covered by the enclosed document is twenty (20) 2743 cu.ft., mill gondola railcars, with NDYX marks (see Exhibit A for car numbers).

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

(MHFL002)

RECORDATION NO. 24642-A FILED

ASSGN. NO.: MHFL002

JUL 27 '04 4-20 PM

MEMORANDUM OF LEASE **SURFACE TRANSPORTATION BOARD**

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 17th day of June 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and MHF-LS EQUIPMENT, INC. ("Lessee"), a Pennsylvania corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of August 15, 2003, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of February 6, 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

ATTEST:

By: Richard F. Seymour

By: [Signature]
Name: GEORGIA FRETBURGER

Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Title: MGR. OF DOCUMENTATION Executed on this 17th day of June, 2004

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

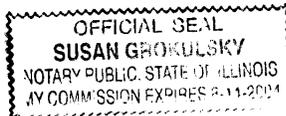
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16th day of June, 2004

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

MHF-LS EQUIPMENT INC.

By: Mark C. Delfratte

Name: Mark C. Delfratte

Title: Director of Operations

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Pennsylvania

COUNTY OF Lawrence

I, Joyce E. Fritsche, a Notary Public of the County and State aforesaid, certify that Mark C. Delfratte 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 7th day of June, 2004.

Joyce E. Fritsche
Notary Public

Commission Expires:
Sept 19 2005
(Notary Public)

Notarial Seal
Joyce E. Fritsche, Notary Public
Slippery Rock Twp., Lawrence County
My Commission Expires Sept 19, 2005
Member, Pennsylvania Association of Notaries

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty (20)

DESCRIPTION OF CARS: 2743 cfc. mill gondola railcars with 286,000 GWR, 52'6" in length
with 5'6" side height.

CAR NUMBERS:

| | |
|--------|--------|
| NDYX | 320776 |
| NDYX | 320782 |
| NDYX | 320785 |
| NDYX | 320788 |
| NDYX | 320791 |
| NDYX | 320793 |
| NDYX | 320799 |
| NDYX | 320800 |
| NDYX | 320803 |
| NDYX | 320805 |
| NDYX | 320806 |
| NDYX | 320808 |
| NDYX | 320809 |
| NDYX | 320811 |
| NDYX | 320815 |
| NDYX | 320816 |
| NDYX | 320818 |
| NDYX | 320821 |
| NDYX | 320822 |
| NDYX | 320823 |
| Count: | 20 |