RECORDATION NO. 23490-A FILED

AUG 31 '04 2-44 PM

SURFACE TRANSPORTATION BOARD

AUG 30 2004 RECEIVED

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*

August 26, 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 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 23490.

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

| | | | |
|---|---|---|---|
| Lessor: | First Union Rail Corporation<br>One O'Hare Center<br>6250 River Road, Suite 5000<br>Rosemont, IL 60018 | Lessee: | Finger Lakes Railway Corporation<br>12 West Road<br>Merrimac, NH 03054 |

A description of the railroad equipment covered by the enclosed document is two (2) 1350 cu. ft. side air dump 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

(FGLK004)

ASSGN. NO.: FGLK004

MEMORANDUM OF LEASE

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 Finger Lakes Railway Corporation ("Lessee"), a Delaware corporation.

**W I T N E S S E T H:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of March 21, 2001, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 4, to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 3, 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

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR

Title: Vice President Sales & Marketing

Executed on this 17th day of June, 2004

ATTEST:

By: [signature]

Name: GEORGIA FREIBURGER

Title: MGR. OF DOCUMENTATION

[CORPORATE SEAL]

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SURFACE TRANSPORTATION BOARD

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)

OFFICIAL SEAL
SUSAN GROKULSKY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8-14-2004

**LESSEE:**

FINGER LAKES RAILWAY CORPORATION

By: _____

Name: MICHAEL V. SMITH

Title: PRESIDENT

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF New York

COUNTY OF Wayne

I, Kathleen S. Fisk, a Notary Public of the County and State aforesaid, certify that Michael V. Smith 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 10 day of June, 2004.

Kathleen S. Fisk
Notary Public

Commission Expires:
November 28, 2006
(Notary Public)

KATHLEEN S. FISK
Notary Public, County of Wayne
New York State #01FI5036488
My Commission Expires November 28, 2006

**EXHIBIT A**
**to**
**MEMORANDUM OF LEASE**

| | |
|---|---|
| NUMBER OF CARS: | Two (2) |
| DESCRIPTION OF CARS: | 1350 cubic foot, 100-ton side air dump cars |
| CAR NUMBERS: | NOKL 099907 and NOKL 099908 |