

SOUTHERN GROUP, INC.
923 NE WOODS CHAPEL RD #257
LEE'S SUMMIT, MO 64064
816-647-4074 Fax: 816-373-6053



RECORDATION NO. 25492 FILED

MAR 11 05 2-29 PM

SURFACE TRANSPORTATION BOARD

February 7, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are (2) two copies of a Memorandum of a Locomotive Security Agreement, dated as November 12, 2004, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lender: Southern Group, Inc.
923 NE Woods Chapel Rd. #257
Lee's Summit, MO 64064

Borrower: Cayuga Rail Leasing, LLC
415 Woodland Road
Syracuse, NY 13219

A description of the railroad equipment covered by the enclosed document is:

Five (5) General Electric B23-7 Locomotives Bearing reporting marks:

MDS 4039
MDS 4046
MDS 4047
MDS 4051
MDS 4082

Mr. Vernon A. Williams
February 7, 2005
Page 2

A short summary of the document to appear in the index is:

Memorandum of Locomotive Security Agreement.

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the recordation in the enclosed Fedex envelope. Your prompt attention is most appreciated.

Sincerely,



Larry D. Nicotra

RWA/anm
Enclosures

RECORDATION NO. 25492 FILED

MAR 10 '05

2-29 PM

MEMORANDUM OF
LOCOMOTIVE SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This MEMORANDUM OF LOCOMOTIVE SECURITY AGREEMENT entered into this 9th day November 2004, is intended to evidence the note and security agreement dated November 9, 2004 between Southern Group, Inc. (Lender) and Cayuga Rail Leasing, LLC, a Delaware limited liability company (Borrower) for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Chapter 49 of Sec 11301. The Borrower has the right to use the five (5) locomotives described in Exhibit A attached hereto (the Units). The Borrower is financing from the Lender all the Units at the payments and upon the terms and conditions provided in the Note and Security Agreement.

Southern Group, Inc.

Cayuga Rail Leasing, LLC

By: Larry D. Nicotra

By: E. B. Lee

Name: LARRY D. NICOTRA

Name: Eric B. Lee

Title: PRESIDENT

Title: Manager

Date: NOVEMBER 12, 2004

Date: November 12, 2004

Jolene R. Easterling

NOTARY: Pamela S. Spier

JOLENE R. EASTERLING
Notary Public-Notary Seal
STATE OF MISSOURI
Commissioned in Jackson County
My Commission Expires April 20, 2008

PAMELA S. SPIER
Notary Public, State of New York
Qual. in Onon. County., No. 01SP601254
My Commission Expires 8/31/06

EXHIBIT A

To the Memorandum of Security Agreement dated November 9, 2004, between Southern Group, Inc. and Cayuga Rail Leasing, LLC.

DESCRIPTION OF UNITS

Five (5) General Electric B23-7 Locomotives bearing reporting marks as follows:

MDS 4039
MDS 4046
MDS 4047
MDS 4051
MDS 4082