

RECORDATION NO. 26390 FILED

JUN 14 '06 12:59 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

June 14, 2006

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 two (2) copies of a Memorandum of Lease Agreement, dated as of February 22, 2006, 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:

Lessee: Maryland Midland Railway
40 North Main Street
Union Bridge, MD 21791

Lessor: Trean, LLC
601 Montgomery Street, Suite 520
San Francisco, CA 94111

Mr. Vernon A. Williams
June 14, 2006
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A description of the railroad equipment covered by the enclosed document
is:

30 covered hopper railcars: MMID 5201 – MMID 5230.

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

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$34.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

Dated as of February 22, 2006

Between

MARYLAND MIDLAND RAILWAY,
As Lessee,

And

TREAN, LLC,
As Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. §11301
AND WITH THE REGISTRAR GENERAL OF CANADA
PURSUANT TO §105 OF THE CANADA TRANSPORTATION ACT
on _____, 2006 at ____:____.m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of February 22, 2006, by and between TREAN, LLC ("Lessor") and MARYLAND MIDLAND RAILWAY ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase 30 3220 cu. ft. covered hoppers bearing identification numbers MMID 5201-5230 from and manufactured by National Steel Car Limited, Hamilton, Ontario, Canada, each in the ordinary course of business and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain railcars described above.

All such railcars are more fully described in that certain Master Car Lease Agreement dated as of dated as of February 22, 2006 and Schedule No. 1 to Master Car Lease Agreement dated as of February 22, 2006 (collectively the "Lease"), between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.
3. By an Assignment Agreement dated March 24, 2006 between TREAN, LLC ("Assignor") and AllCapital Rail Holdings, LLC ("Assignee") and a Bill of Sale dated April 3, 2006 by and between the Assignor and Assignee, the Assignor assigned all of its right, title and interest in and to the Lease, the Schedule and the Purchase Contract and the Cars to the Assignee.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed constituting an original but all together only one Memorandum of Lease Agreement.

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