

RECORDATION NO. 26701 FILED

DEC 18 '06 - 10 14 AM

SURFACE TRANSPORTATION BOARD

Law Offices of
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December 15, 2006

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed for e-filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of December 14, 2006. We request that this document be given the next available recordation number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

LaSalle National Leasing Corporation
One West Pennsylvania Avenue, Suite 1000
Towson MD 21204

Lessee:

Florida East Coast Railway, L.L.C.
One Malaga Street
St. Augustine, FL 32085

A description of the equipment covered by the Memorandum of Lease Agreement consists of four SD70M-2 4,300 horsepower locomotives numbered FEC 100-103, inclusive.

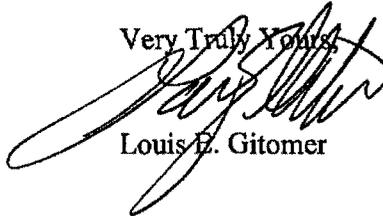
Honorable Vernon A. Williams
December 15, 2006
Page 2

A fee of \$34.00 is enclosed. Please return one copy to:

Louis E. Gitomer
600 Baltimore Avenue
Suite 301
Towson, MD 21204

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between LaSalle National Leasing Corporation, One West Pennsylvania Avenue, Suite 1000, Towson MD 21204, and Florida East Coast Railway, L.L.C., One Malaga Street, St. Augustine, FL 32085, covering four SD70M-2 4,300 horsepower locomotives numbered FEC 100-103, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name below.

Louis E. Gitomer

Enclosure

RECORDATION NO. 26701 FILED

DEC 18 '06 10:14 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of December 14, 2006

by and between

FLORIDA EAST COAST RAILWAY, L.L.C.,
as Lessee,

and

LASALLE NATIONAL LEASING CORPORATION,
as Lessor

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on December __, 2006 at __:__.m.**

~BALTI:4220319.v2
BAL:TTW291368.1

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of December 14, 2006, by and between LASALLE NATIONAL LEASING CORPORATION ("Lessor") and FLORIDA EAST COAST RAILWAY, L.L.C. ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain locomotives described on Exhibit No. 1 attached hereto (the "Units").

All of such Units are more fully described in that certain Locomotive Net Leasing Agreement dated as of December 14, 2006, and Schedule No. 1 thereto and incorporating the terms thereof, dated as of December 14, 2006 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

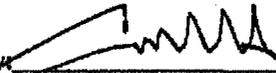
2. The Lease shall be effective as of the date thereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.
3. The Lease contains an option to return and an option by Lessee to purchase the Units on the terms set forth in the Lease.

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

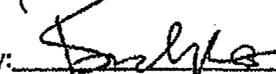
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

LASALLE NATIONAL LEASING CORPORATION

By: 
Name: CONSTANCE W. LANCASTER
Title: SENIOR VICE PRESIDENT

FLORIDA EAST COAST RAILWAY, L.L.C.

By: 
Name: Bradley D. Lehan
Title: Vice President & Treasurer

STATE OF MARYLAND)
) ss:
COUNTY OF BALTIMORE)

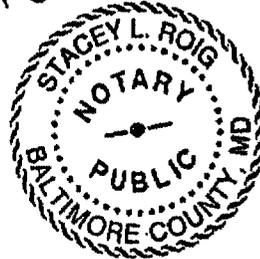
On this 14th day of December, 2006, before me appeared Constance W. Lancaster, the person who signed this instrument, who acknowledged that (s)he is the SVP of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Stacey L. Roig
Notary Public

My commission expires:

August 4, 2009

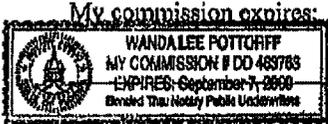


STATE OF Florida)
COUNTY OF Duval) ss:

On this 14th day of December, 2006, before me appeared BRADLEY D. LEHAN, the person who signed this instrument, who acknowledged that (s)he is the V.P. & Treasurer of FLORIDA EAST COAST RAILWAY, L.L.C. and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Wendy L. Potter
Notary Public



**EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT**

DESCRIPTION OF LOCOMOTIVES AND REPORTING MARKS

Four (4) SD70M-2 4,300 horsepower locomotives
Road Nos. FEC 100, FEC 101, FEC 102, & FEC 103