

FIRST UNION RAIL

One O'hare Centre
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Rosemont, IL 60018-4214

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VIA UPS 2nd DAY AIR

August 25, 2011

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

RECORDATION NO. 26463-D FILED

AUG 29 '11 -2 16 PM

SURFACE TRANSPORTATION BOARD

Re: Memorandum of Lease Agreement

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement dated November 4, 2010, 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 Surface Transportation Board under Recordation Number 26463.

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

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Modesto and Empire Traction Company
530 11th Street
Modesto, CA 95353

A description of the railroad equipment covered by the enclosed document is for forty seven (47) boxcars with NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease Agreement

Also enclosed is a check in the amount of \$41.00 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) 384-5397. Thank you for your cooperation in this matter.

Sincerely,



Marcia Dunne
Senior Rail Documentation Specialist

Enclosures

(MET007)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 4th day of November 2010, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Modesto And Empire Traction Company ("Lessee"), a California corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 27, 2006, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 7 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of November 4, 2010, 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
VICE PRESIDENT SALES

ATTEST:

By: Susan Grokulsky

Name: SUSAN GROKULSKY
ASSISTANT DIRECTOR

Title: OF DOCUMENTATION

Executed on this 4th day of November, 2010.

[CORPORATE SEAL]

RECORDATION NO. 26463-D RLD

STATE OF ILLINOIS

AUG 29 '11 -2 16 PM

COUNTY OF COOK

SURFACE TRANSPORTATION BOARD

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

WITNESS my hand and official stamp or seal, this 4th day of November, 2010.

Georgia Freiburger
Notary Public

My Commission Expires:

6-2012
(Notary Public)



LESSEE:

MODESTO AND EMPIRE TRACTION COMPANY

ATTEST:

By: Tom L. Nielsen

Name: TOM L NIELSEN

Title: V.P.

By: Elvia L Victorine

Name: ELVIA L VICTORINE

Title: NOTARY PUBLIC

Executed on this 22ND day of OCTOBER, 2010.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this _____ day of _____, _____.

Notary Public

Commission Expires:

(Notary Public)

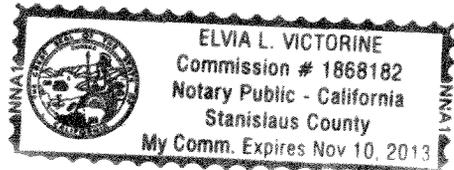
State of California
County of Stanislaus

On 22 Oct 2010 before me, Elvia L. Victorine, Notary Public, personally appeared
TOM L NIELSEN

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Elvia L. Victorine

(Seal)

OPTIONAL

The following provided as information only:

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporate Officer	<u>MEMO of LEASE</u> <i>Title or Type of Document</i>
<u>J.P.</u> <i>Signer Title(s)</i>	<u>7</u> <i>Number of Pages</i>
<input type="checkbox"/> Other _____	<u>10 / 22 / 10</u> <i>Date of Document</i>
	<u>[FIRST UNION RAIL]</u> <i>Signer(s) Other Than Named Above</i>

EXHIBIT A
to
MEMORANDUM OF LEASE

I. NUMBER OF CARS: Forty - seven (47)

II. DESCRIPTION OF CARS: 52'8", 286,000 lbs GRL, double plug door, cushioned, plate "F" boxcars with 50K rated nailable steel floors, built in 1988.

III. CAR NUMBERS:

NOKL 550001	NOKL 550050
NOKL 550003	NOKL 550051
NOKL 550007	NOKL 550055
NOKL 550008	NOKL 550056
NOKL 550011	NOKL 550058
NOKL 550014	NOKL 550060
NOKL 550015	NOKL 550062
NOKL 550018	NOKL 550063
NOKL 550019	NOKL 550064
NOKL 550020	NOKL 550065
NOKL 550021	NOKL 550069
NOKL 550022	NOKL 550072
NOKL 550024	NOKL 550075
NOKL 550025	NOKL 550078
NOKL 550026	NOKL 550085
NOKL 550028	NOKL 550086
NOKL 550032	NOKL 550087
NOKL 550033	NOKL 550088
NOKL 550034	NOKL 550091
NOKL 550035	NOKL 550092
NOKL 550036	NOKL 550094
NOKL 550037	NOKL 550099
NOKL 550039	NOKL 550100
NOKL 550040	