First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

NO. 22259 FILED
JUL 23 '99 10:00 AM

VIA FEDERAL EXPRESS

RECEIVED
JUL 22 1999
MAIL
MANAGEMENT
STB

July 21, 1999

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 two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated December 17, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor:	First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018	Lessee:	Cascade and Columbia River Railroad 301 Yamato Road Suite 1190 Boco Raton, FL 33431

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of $26.00 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.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase

Tiffany Chase
Manager of Documentation

Enclosures

(CSCD002, CSCD003, CSCD004)

RECORDATION NO. 22259 FILED

JUL 23 '99 10-00AM

ASSIGN: CSCD002/CSCD003/CSCD004

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the 17th day of December, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Cascade and Columbia River Railroad Co. ("Lessee").

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of June 15, 1997, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

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: _____

Name: JACK THOMAS

Title: President

ATTEST:

By: K.A. Dambrowski

Name: K.A. DAMBROWSKI

Title: MANAGER-DOCUMENTATION

Executed on this 17 day of December, 1998.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, Susan Grokulsky, a Notary Public of the County and State aforesaid, certify that John J. Thomas 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 17th day of December, 1998.

Susan Grokulsky
Notary Public

My Commission Expires:

8/14/2000
(Notary Public)

OFFICIAL SEAL
SUSAN GROKULSKY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8-14-2000

LESSEE:

CASCADE AND COLUMBIA RIVER RAILROAD CO.

ATTEST:

By: Jack F Conser

Name: JACK F CONSER

Title: Sr VP Domestic Rail Group

By: Gary Laakso

Name: Gary Laakso

Title: General Counsel

Executed on this 15th day of Dec, 1998.

[CORPORATE SEAL]

STATE OF Florida

COUNTY OF Palm Beach

I, Dorothy Singer, a Notary Public in and for said state and county, certify that Jack F. Conser personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this 15th day of December, 1998.

Dorothy Singer
Notary Public

My Commission Expires:

07/16/2001
(Notary Public)

NOTARY PUBLIC STATE OF FLORIDA
Dorothy Singer
Notary Public, State of Florida
Commission No. CC 664140
My Commission Exp. 07/16/2001
1-800-3-NOTARY - Fla. Notary Service & Bonding Co.

EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: Group A – Thirty (30) Cars
Group B – Seventy-five (75) Cars
Group C – Thirty (30) Cars

DESCRIPTION OF CARS: 4,750 cubic foot Covered Hopper Cars

CAR NUMBERS: See Below:

Group A

CSCD002	CFWR	075748
CSCD002	CFWR	075764
CSCD002	CFWR	075783
CSCD002	CFWR	075797
CSCD002	CFWR	075839
CSCD002	NOKL	827095
CSCD002	NOKL	827097
CSCD002	NOKL	827101
CSCD002	NOKL	827103
CSCD002	NOKL	827109
CSCD002	NOKL	827110
CSCD002	NOKL	827111
CSCD002	NOKL	827112
CSCD002	NOKL	827120
CSCD002	NOKL	827121
CSCD002	NOKL	827123
CSCD002	NOKL	827124
CSCD002	NOKL	827125
CSCD002	NOKL	827128
CSCD002	NOKL	827131
CSCD002	NOKL	827132
CSCD002	NOKL	827136
CSCD002	NOKL	827139
CSCD002	NOKL	827140
CSCD002	NOKL	827141
CSCD002	NOKL	827142
CSCD002	NOKL	827160
CSCD002	NOKL	827163
CSCD002	NOKL	827165
CSCD002	NOKL	827173
	Count:	**30**

Group B

CSCD003	CFWR	075892
CSCD003	CFWR	077184
CSCD003	NOKL	818470
CSCD003	NOKL	818471
CSCD003	NOKL	818472
CSCD003	NOKL	818473
CSCD003	NOKL	818474
CSCD003	NOKL	818475
CSCD003	NOKL	818476
CSCD003	NOKL	827138
CSCD003	NOKL	827166
CSCD003	NOKL	827167
CSCD003	NOKL	827168
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CSCD003	NOKL	827179
CSCD003	NOKL	827180
CSCD003	NOKL	827182
CSCD003	NOKL	827183
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CSCD003	NOKL	827188
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CSCD003	NOKL	827191
CSCD003	NOKL	827240
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CSCD003	NOKL	827259
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CSCD003	NOKL	827272
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CSCD003	NOKL	827278
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CSCD003	NOKL	827280
CSCD003	NOKL	827282
CSCD003	NOKL	827283
CSCD003	NOKL	827287
CSCD003	NOKL	827290
CSCD003	NOKL	827294
CSCD003	NOKL	827295
CSCD003	NOKL	827297
CSCD003	NOKL	827299
CSCD003	NOKL	827304
CSCD003	NOKL	827305
CSCD003	NOKL	827306
CSCD003	NOKL	827391
CSCD003	NOKL	827392
	Count:	**75**

Group C

CSCD004	CFWR	075872
CSCD004	CFWR	075881
CSCD004	CFWR	075882
CSCD004	CFWR	075887
CSCD004	CFWR	075889
CSCD004	CFWR	075901
CSCD004	CFWR	075903
CSCD004	CFWR	075905
CSCD004	CFWR	075907
CSCD004	CFWR	075910
CSCD004	CFWR	075911
CSCD004	CFWR	075915
CSCD004	NOKL	827194
CSCD004	NOKL	827196
CSCD004	NOKL	827198
CSCD004	NOKL	827202
CSCD004	NOKL	827203
CSCD004	NOKL	827204
CSCD004	NOKL	827208
CSCD004	NOKL	827211
CSCD004	NOKL	827215
CSCD004	NOKL	827216
CSCD004	NOKL	827220
CSCD004	NOKL	827224
CSCD004	NOKL	827225
CSCD004	NOKL	827228
CSCD004	NOKL	827232
CSCD004	NOKL	827234
CSCD004	NOKL	827236
CSCD004	NOKL	827238
	Count:	**30**