

**First Union Rail Corporation**

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

VIA FEDERAL EXPRESS



April 19, 1999

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

RECORDATION NO. 22144 FILED

APR 20 '99 11-00 AM

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated April 7, 1999, 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:

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

Lessee: Albany & Eastern Railroad  
265 Tangent Street  
Lebanon, OR 97355

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  
Manager of Documentation

Enclosures

(AERC001)

EXHIBIT A  
to  
RIDER NO. 1

RECORDATION NO. 22144 FILED

APR 20 '99 11-00AM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7<sup>th</sup> day of April, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Albany & Eastern Railroad Company ("Lessee"), an Oregon corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of April 7, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of April 7, 1999 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

ATTEST:

By: K.A. Dombrowski  
Name: RICHARD F. SEYMOUR  
Title: Vice President Sales & Marketing

Executed on this 7<sup>th</sup> day of April, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

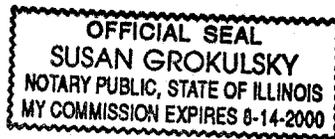
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7<sup>th</sup> day of April, 1999.

Susan Grokulska  
Notary Public

My Commission Expires:

8-14-2000  
(Notary Public)



LESSEE: ALBANY & EASTERN RAILROAD  
COMPANY

ATTEST:

By: Joli Root  
Name: Joli Root  
Title: Secretary

By: Michael R Root  
Name: MICHAEL R. ROOT  
Title: PRESIDENT

Executed on this 3 day of March, 1999.

[CORPORATE SEAL]

STATE OF Oregon  
COUNTY OF Linn

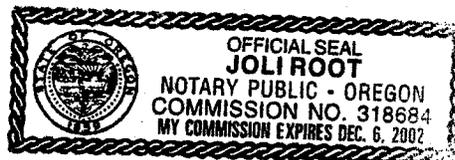
I, Joli Root, a Notary Public of the County and State  
aforesaid, certify that Michael R. Root personally appeared before me this day and  
acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3 day of March,  
1999.

Joli Root  
Notary Public

My Commission Expires:

Dec 6, 2002  
(Notary Public)



**EXHIBIT A**  
**to**  
**Memorandum of Lease**

NUMBER OF CARS: Fifty (50)  
DESCRIPTION OF CARS: 73' 286,00 lb. Capacity Centerbeam Flat Cars  
CAR NUMBERS: AERC 7300-7349 (inclusive)