

First Union Rail Corporation

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

VIA FEDERAL EXPRESS



April 2, 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. 22100 FILED
APR 5 '99 11-30AM

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 March 5, 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: Colorado & Wyoming Railroad Co.
P.O. Box 316
Pueblo, CO 81002

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

(CW002)

ASSIGN: CW002

RECORDATION NO. 22100 FILED

Memorandum of Lease

APR 5 '99

11-30AM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 5th day of March, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Colorado & Wyoming Railway Company ("Lessee"), a Delaware corporation.

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 November 15, 1996, 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 Agreement.

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: [Signature]
Name: JOHN J. THOMAS

By: [Signature]
Name: Tiffany Chase

Title: PRESIDENT

Title: Manager - Documentation Executed on this 29th day of March, 1999.

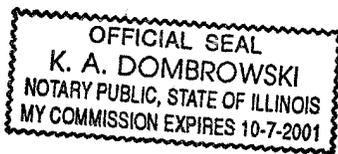
[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, K.A. Dombrowski, 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.

1999. WITNESS my hand and official stamp or seal, this 29th day of March,



K. A. Dombrowski
Notary Public

My Commission Expires:

10-7-2001
(Notary Public)

LESSEE:

COLORADO & WYOMING RAILWAY COMPANY

ATTEST:

By: *Robert E. Porter*

Name: ROBERT E. PORTER

By: *Paul L. Bailey*

Title: Vice President, C. O. O.

Name: PAUL L. BAILEY

Title: CONTROLLER

Executed on this 18th day of MARCH, 1999.

[CORPORATE SEAL]

STATE OF Colorado

COUNTY OF Pueblo

I, Edward G. Arlen, a Notary Public in and for said state and county, certify that Robert E. Porter 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 18th day of March, 1999.

Edward G. Arlen
Notary Public

My Commission Expires:

05/02/2001
(Notary Public)

EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: One hundred (100)

DESCRIPTION OF CARS: 286,000 lb. capacity gondola cars

CAR NUMBERS: CRLE 3250-3299 (inclusive), CRLE 3375-3424 (inclusive)