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First Union Rail Corporation

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

RECORDATION NO. 21339 FILED

APR 17 '98

12-50 PM

April 2, 1998



VIA FEDERAL EXPRESS

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

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 May 1, 1997, 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: Columbia & Cowlitz Railway Company
P.O. Box 209
Longview, WA 98632

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 \$24.00 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.

Very truly yours,

Kathy Dombrowski
Manager-Documentation

Enclosures
(CLC009)

ASSIGN: CLC008

APR 17 '98

12-50 PM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1st day of May, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Columbia & Cowlitz Railway Co. ("Lessee"), a Washington corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of May 1, 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: J. J. Thomas

Name: _____

Title: JACK THOMAS
President

ATTEST:

By: Michelle Berg

Name: Michelle Berg

Title: Office Manager

Executed on this 13 day of February 1998.

[CORPORATE SEAL]

STATE OF Illinois

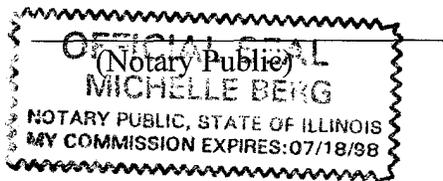
COUNTY OF Cook

I, Michelle Berg, a Notary Public in and for said state and county, 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 13 day of February, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

COLUMBIA & COWLITZ RAILWAY CO.

By: [Signature]

Name: Michael A Lyders

Title: VICE PRESIDENT

ATTEST:

By: [Signature]

Name: MARJORIE BREWER

Title: Project/Operations Analyst Executed on this 3 day of Feb., 1998.

[CORPORATE SEAL]

STATE OF WASHINGTON

COUNTY OF PIERCE

I, Kristin Brenner, a Notary Public in and for said state and county, certify that MICHAEL LYDERS 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 February, 1998.

[Signature]
Notary Public

My Commission Expires:

NOV 1, 2001
(Notary Public)

EXHIBIT A
to
Memorandum of Lease

Ninety-eight (98) 100-ton Bulkhead Flat Cars

Car Numbers

MDW	001100	MDW	001134	MDW	001168
MDW	001101	MDW	001135	MDW	001169
MDW	001102	MDW	001136	MDW	001170
MDW	001103	MDW	001137	MDW	001171
MDW	001104	MDW	001138	MDW	001172
MDW	001105	MDW	001139	MDW	001173
MDW	001106	MDW	001140	MDW	001174
MDW	001107	MDW	001141	MDW	001175
MDW	001108	MDW	001142	MDW	001176
MDW	001109	MDW	001143	MDW	001177
MDW	001110	MDW	001144	MDW	001178
MDW	001111	MDW	001145	MDW	001179
MDW	001112	MDW	001146	MDW	001180
MDW	001113	MDW	001147	MDW	001181
MDW	001114	MDW	001148	MDW	001182
MDW	001115	MDW	001149	MDW	001183
MDW	001116	MDW	001150	MDW	001184
MDW	001118	MDW	001151	MDW	001185
MDW	001119	MDW	001152	MDW	001186
MDW	001120	MDW	001153	MDW	001187
MDW	001121	MDW	001154	MDW	001188
MDW	001122	MDW	001155	MDW	001189
MDW	001123	MDW	001156	MDW	001190
MDW	001124	MDW	001157	MDW	001191
MDW	001125	MDW	001159	MDW	001192
MDW	001126	MDW	001160	MDW	001193
MDW	001127	MDW	001161	MDW	001194
MDW	001128	MDW	001162	MDW	001195
MDW	001129	MDW	001163	MDW	001196
MDW	001130	MDW	001164	MDW	001197
MDW	001131	MDW	001165	MDW	001198
MDW	001132	MDW	001166	MDW	001199
MDW	001133	MDW	001167		