

First Union Rail Corporation

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

VIA FEDERAL EXPRESS



August 14, 1998

RECORDATION NO. 21584 FILED

AUG 17 '98

1-41 PM

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 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 December 2, 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 Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Willamette Valley Railway Company
635 N. Walnut Street
Independence, OR 97351

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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Grokulsky".

Susan Grokulsky
Manager - Documents Administration

Enclosures

(WVR005)

ASSIGN: WVR005

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Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the 2nd day of December, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Willamette Valley Railway Company ("Lessee"), an Oregon 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 December 2, 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:

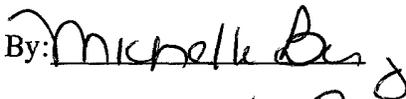
FIRST UNION RAIL CORPORATION

ATTEST:

By: 

Name: JACK THOMAS
President

Title: _____

By: 
Name: Michelle Berg
Title: Office Manager

Executed on this 27 day of July, 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. Thom 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 27 day of July, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

WILLAMETTE VALLEY RAILWAY COMPANY

ATTEST:

By: Michael R Root

Name: MICHAEL R. ROOT

Title: PRESIDENT

By: David Root

Name: DAVID P. ROOT

Title: SECRETARY/TREASURER

Executed on this 29th day of JUNE, 1998.

[CORPORATE SEAL]

STATE OF Oregon

COUNTY OF YAMHILL

I, Daren L. Conover, a Notary Public in and for said state and county, certify that Michael R. Root 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 29th day of JUNE, 1998.

Daren L. Conover
Notary Public

My Commission Expires:

5/12/2001
(Notary Public)



EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: Twenty-Two (22) cars.

DESCRIPTION OF CARS: Existing 60' – 100 ton Centerbeam Flat Cars.

CAR NUMBERS: UMP009810
UMP009811
UMP009812
UMP009813
UMP009814
UMP009815
UMP009816
UMP009817
UMP009818
UMP009819
UMP009820
UMP009821
UMP009822
UMP009823
UMP009825
UMP009829
UMP009830
UMP009832
UMP009833
UMP009838
UMP009842
UMP009843