

First Union Rail Corporation

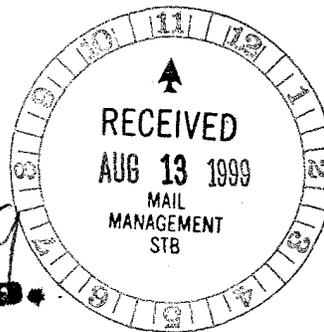
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

RECORDATION NO. _____

VIA UPS NEXT DAY AIR

AUG 19 '99 8-30AM

August 12, 1999



RECORDATION NO. 22329 FILED
AUG 19 '99 8-30AM

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 July 21, 1999, 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: Hampton Railway Inc.
9400 SW Barnes, Ste. 400
Portland, OR 97225-6698

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

011643

Enclosures

HPLS022

RECORDATION NO. 2329 FILED

EXHIBIT A
to
RIDER NO. 9

AUG 19 99 8:50AM MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 21st day of July, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Hampton Railway, Inc. ("Lessee"), an Oregon corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of November 15, 1996, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 9 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of November 17, 1998 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: K.A. Dombrowski
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 21st day of July, 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 21st day of July, 1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)



LESSEE: HAMPTON RAILWAY, INC.

ATTEST:

By: David R. Benson
Name: DAVID R. BENSON
Title: President

By: _____
Name: _____
Title: _____

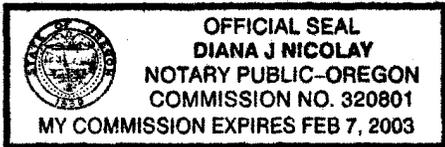
Executed on this 14th day of July, 1999.

[CORPORATE SEAL]

STATE OF Oregon
COUNTY OF Washington

I, Diana J. Nicolay, a Notary Public of the County and State aforesaid, certify that David R. Benson 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 14th day of July, 1999.



Diana J. Nicolay
Notary Public

My Commission Expires:

February 7, 2003
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

Number of Cars: Forty-eight (48)

Description of Cars: 71' Centerbeam Flatcars

Car Numbers:

HLSC 871520	HLSC 871521
HLSC 871522	HLSC 871523
HLSC 871524	HLSC 871525
HLSC 871526	HLSC 871527
HLSC 871528	HLSC 871529
HLSC 871530	HLSC 871532
HLSC 871533	HLSC 871534
HLSC 871535	HLSC 871536
HLSC 871537	HLSC 871538
HLSC 871539	HLSC 871540
HLSC 871541	HLSC 871542
HLSC 871543	HLSC 871544
HLSC 871545	HLSC 871546
HLSC 871547	HLSC 871548
HLSC 871549	HLSC 871550
HLSC 871551	HLSC 871552
HLSC 871553	HLSC 871554
HLSC 871555	HLSC 871556
HLSC 871557	HLSC 871558
HLSC 871559	HLSC 871560
HLSC 871561	HLSC 871562
HLSC 871563	HLSC 871564
HLSC 871565	HLSC 871566
HLSC 871567	HLSC 871568