

RAILCAR, Ltd.
Suite 455
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

(404) 352-6799
Fax (404) 352-6798

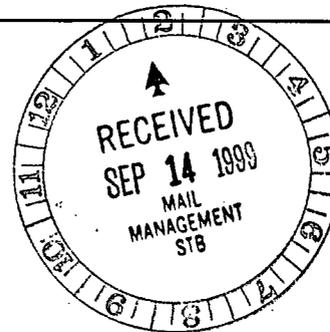
REC'D. JUN NO 22422 FILED

SEP 23 '99 9-00 AM

22422
RAILCAR

September 10, 1999

Secretary's Office
Surface Transportation Board
1925 K Street, NW, Suite 700
Washington, D.C. 20423-0001
Attention: Recordation Unit- Ms. Taledia Stokes



RE: Railcar, LTD. and Montana Rail Link, Inc.

Dear Ms. Stokes:

On behalf of Railcar, LTD., I am enclosing for recording an original and two counterparts of a primary document, not previously recorded entitled: "Memorandum of Lease" dated as of July 1, 1999. Also enclosed is a check for \$26 payable to the "Surface Transportation Board."

The names and addresses of the parties is as follows:

Railcar, LTD. (LESSOR)
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847
Attn: Mr. Paul H. Kennedy

Montana Rail Link, Inc. (LESSEE)
101 International Way
PO Box 16390
Missoula, Montana 59808-6390
Attn: Mr. Mel Dinius

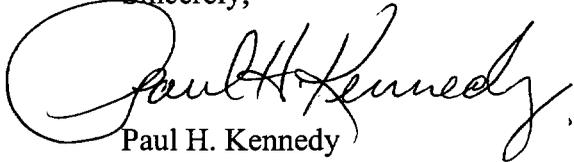
The equipment covered by the document is more fully described in the Description of Railcar schedules, which are enclosed.

A short summary of the document to appear in the index is as follows: "Lease Agreement between Railcar, LTD. 1819 Peachtree Road, N.E., Suite 455 Atlanta, Georgia 30309-1847, as Lessor, and Montana Rail Link, Inc. 101 International Way, PO Box 16390 Missoula, Montana 59808-6390, as Lessee, dated July 1, 1999, and covering

30, 100-ton open top hopper railcars bearing the marks MRL 8501 through MRL 8530, inclusively.”

Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB.

Sincerely,

A handwritten signature in cursive script that reads "Paul H. Kennedy". The signature is written in black ink and is positioned above the printed name.

Paul H. Kennedy
Vice President of Administration

SEP 23 '99

9-00 AM

MEMORANDUM OF LEASE

1. Pursuant to the Master Lease Agreement dated as of July 1, 1999, and the related Schedule No. 1 dated as of July 1, 1999 (collectively, the "Lease Agreement"), between Railcar, Ltd. ("Lessor"), as lessor, and Montana Rail Link, Inc. ("Lessee"), as lessee, Lessor has leased to Lessee the railroad cars identified on the exhibit attached hereto and entitled "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease."

2. The addresses of the parties are as follows:

RECORDATION NO. _____ FILED .

Railcar, Ltd.
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847

SEP 23 '99

9-00 AM

Montana Rail Link, Inc.
101 International Way
PO Box 16390
Missoula, Montana 59808-6390

3. The term of the Lease has already commenced and is scheduled to end on August 31, 2004 subject to an option to extend for one additional one-year term.

4. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement.

5. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of July 1.

RAILCAR, LTD.

BY: Paul H. Kennedy
Name: Paul H. Kennedy.

Title: Vice President of Administration

State of Georgia, County of Fulton

On July 1, 1999, before me personally appeared Paul H. Kennedy, to me personally known, who being by me duly sworn says that he is VP-Admin of Railcar, Ltd., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joy F. Hardin

Notary Public

My commission expires

Notary Public, Coweta County, Georgia
My Commission Expires April 2, 2002

[NOTARIAL SEAL]

[Execution continued on next page; remainder of this page intentionally left blank]

MONTANA RAIL LINK, INC.

By: John L. Grewell

Name: John L. Grewell

Title: V. P. Operations

State of Montana, County of Missoula

On July 1, 1999, before me personally appeared John L. Grewell, to me personally known, who being by me duly sworn says that he is Vice President Operations of Montana Rail Link, Inc., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]

Notary Public

My commission expires:

[NOTARIAL SEAL]

DESCRIPTION OF RAILCARS

Lessor: Railcar, Ltd.

Lessee: Montana Rail Link Inc.

Number of Cars in Lease: 30

Description of Cars: three pocket, used 100-ton (263,000 lb. Gross weight on rail), 4000 cubic foot capacity, rotary coupled, open top hopper cars.

Car Marks and Numbers:

MRL 8501
MRL 8502
MRL 8503
MRL 8504
MRL 8505
MRL 8506
MRL 8507
MRL 8508
MRL 8509
MRL 8510
MRL 8511
MRL 8512
MRL 8513
MRL 8514
MRL 8515
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MRL 8529
MRL 8530