

RECORDATION NO. 19310-A
FILED 1995

MAR 22 1995 - 8 45 AM

**MEMORANDUM OF
LEASE OF RAILROAD EQUIPMENT** INTERSTATE COMMERCE COMMISSION

THIS MEMORANDUM OF AMENDED AND RESTATED LEASE OF RAILROAD EQUIPMENT made as of March 17, 1995 is intended to evidence the Lease of Railroad Equipment, dated as of March 17, 1995 (the "Lease") between RESIDUAL BASED FINANCE CORPORATION, an Illinois corporation ("Lessor"), and BANGOR AND AROOSTOOK RAILROAD COMPANY, a Maine corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Interstate Commerce Commission under Section 49 of U.S.C. 11303. Lessor has the right to lease the seventy-four (74) bulkhead flatcars and nineteen (19) EMD locomotives, more fully described in Exhibit A hereto (the "Units"). Lessee leased from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due corporate authority, has executed this Memorandum of Lease of Railroad Equipment on the date indicated below its signature.

RESIDUAL BASED FINANCE CORPORATION, Lessor

BANGOR AND AROOSTOOK RAILROAD COMPANY, Lessee

By: [Signature]
Title: President
Date: 3/17/95

By: [Signature]
Title: President
Date: March 17, 1995

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EQUIPMENT DESCRIPTION

Seventy-Four (74) 64' Bulkhead Flatcars AAR Car Code Type F153

	MARK	UNIT #		MARK	UNIT #		MARK	UNIT #
1	BAR	401	26	BAR	448	51	BAR	499
2	BAR	402	27	BAR	449	52	BAR	602
3	BAR	403	28	BAR	450	53	BAR	610
4	BAR	404	29	BAR	451	54	BAR	611
5	BAR	405	30	BAR	453	55	BAR	612
6	BAR	406	31	BAR	455	56	BAR	614
7	BAR	407	32	BAR	457	57	BAR	617
8	BAR	410	33	BAR	460	58	BAR	618
9	BAR	411	34	BAR	461	59	BAR	619
10	BAR	412	35	BAR	462	60	BAR	620
11	BAR	415	36	BAR	463	61	BAR	622
12	BAR	417	37	BAR	466	62	BAR	623
13	BAR	423	38	BAR	467	63	BAR	624
14	BAR	425	39	BAR	469	64	BAR	625
15	BAR	427	40	BAR	473	65	BAR	650
16	BAR	431	41	BAR	474	66	BAR	651
17	BAR	432	42	BAR	478	67	BAR	652
18	BAR	433	43	BAR	480	68	BAR	653
19	BAR	434	44	BAR	482	69	BAR	654
20	BAR	436	45	BAR	485	70	BAR	655
21	BAR	437	46	BAR	486	71	BAR	656
22	BAR	440	47	BAR	489	72	BAR	657
23	BAR	444	48	BAR	490	73	BAR	658
24	BAR	446	49	BAR	494	74	BAR	659
25	BAR	447	50	BAR	496			

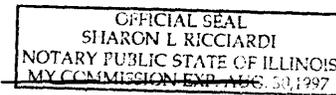
Nineteen (19) EMD LOCOMOTIVES

Group A	Unit #	Units
1500 H.P. GP-7	60,62,63,64,65,67,68,69,70,73,75	11
1750 H.P. GP-9	78,79,80	3
Group B	Unit #	Units
1500 H.P. GP-7R	20,21,22,23,24	5

COMMONWEALTH OF ILLINOIS)
)
COUNTY OF COOK)

On this 20th day of March, 1995, before me personally appeared Vincent A. Kolber, to me personally known, who, being by me duly sworn, says that he is President of RESIDUAL BASED FINANCE CORPORATION, that said instrument was signed and sealed on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Ricciardi
Notary Public



My Commission Expires:

[Notarial Seal]

STATE OF NY)
) SS
COUNTY OF NY)

On this 17 day of March, 1995, before me personally appeared Alfred E. Michin, personally known, who, being by me duly sworn says that he is Pres. of BANGOR AND AROOSTOOK RAILROAD COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Matthew T. Collins
Notary Public

My Commission Expires: _____

MATTHEW T. COLLINS
Notary Public, State of New York
No. 31-4971893
Qualified in New York County 46
Commission Expires Sept. 10, 1996

[Notarial Seal]