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ATTORNEYS AT LAW
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20006-2973
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RECORDATION NO. 20358 -D FILED
MAY 4 '98 10-30 AM

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

May 1, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D C 20423

Dear Mr. Williams

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Amended and Restated Railroad Equipment Lease Agreement, dated as of May 1, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the Memorandum of Railroad Equipment Lease Agreement which was previously filed with the Board under Recordation Number 20358

The names and addresses of the parties to the enclosed document are.

Lessor. Compass Rail II
750 Battery Street, Suite 430
San Francisco, California 94111

Lessee Bangor and Aroostook Railroad Company
Route 2 Box 45
Bangor, Maine 04401

A description of the railroad equipment covered by the enclosed document is.

one hundred and ten (110) railcars set forth on Schedule A

Counterparts - Original

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 4 10 27 AM '98

Mr Vernon A. Williams
May 1, 1998
Page 2

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 stamped copy of the enclosed document to the undersigned

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alvord", written in black ink.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

DATE 5/4/98

ROBERT W ALVORD
ALVORD AND ALVORD
918 SIXTEENTH STREET, NW , STE. 200
WASHINGTON, DC , 20006-2973

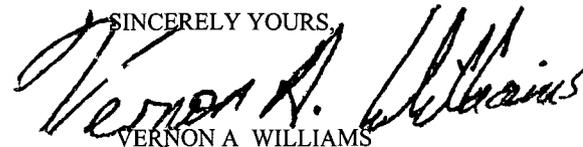
DEAR SIR.

THE ENCLOSED DOCUMENT(S) WAS RECORDED PURSUANT TO THE PROVISIONS OF 49 USC 11301

AND 49 CFR 1177 3 (C), ON AT 5/4/98 , 10 30AM

ASSIGNED RECORDATION NUMBER(S) 20358-D, 20359-D, 20360-C, 21365, 21365-A AND 21366

SINCERELY YOURS,



VERNON A WILLIAMS
SECRETARY

ENCLOSURE(*S)

156 00

\$-----THE AMOUNT INDICATED AT THE LEFT HAS BEEN RECEIVED IN PAYMENT OF A FEE IN CONNECTION WITH A DOCUMENT FILED ON THE DATE SHOWN THIS RECEIPT IS ISSUED FOR THE AMOUNT PAID IN THE EVENT OF AN ERROR OR ANY QUESTIONS CONCERNING THIS FEE, YOU WILL RECEIVE NOTIFICATION AFTER THE SURFACE TRANSPORTATION BOARD HAS HAD AN OPPORTUNITY TO EXAMINE YOUR DOCUMENT

SIGNATURE



RECORDATION NO. 20358 - D FILED

MAY 4 '98 10-30 AM

MEMORANDUM
OF
AMENDED AND RESTATED
RAILROAD EQUIPMENT LEASE AGREEMENT
May 1, 1998

THIS MEMORANDUM OF AMENDED AND RESTATED RAILROAD EQUIPMENT LEASE AGREEMENT is intended to evidence the Amended and Restated Railroad Equipment Lease Agreement dated as of May 1, 1998 (the "Lease"), between COMPASS RAIL II, a California corporation, located at 750 Battery Street, Suite 430, San Francisco, California 94111 ("Lessor"), and BANGOR & AROOSTOOK RAILROAD COMPANY, a Maine corporation, located at Northern Maine Junction Park, R.R.2, Bangor, Maine 00401 ("Lessee"), for the purpose of satisfying the requirements of recordation with the United States Department of Transportation Surface Transportation Board under 49 USC Section 11301 and with the Registrar General pursuant to Section 90 of the Railway Act of Canada. Lessor and Lessee have entered into the Lease which provides for the lease by Lessor to Lessee of the one hundred ten flatcars described in Exhibit A hereto.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Memorandum to be duly executed all as of the date first above written, and the undersigned hereby declare pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below their signatures.

COMPASS RAIL II,
a California corporation

By: [Signature]

Title: President

Date: 4/25/98

BANGOR & AROOSTOOK RAILROAD
COMPANY, a Maine corporation

By: [Signature]

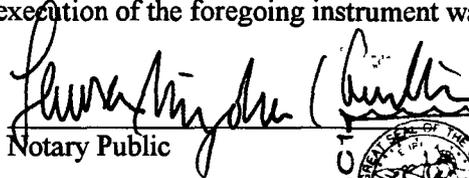
Title: VP & Sec'y

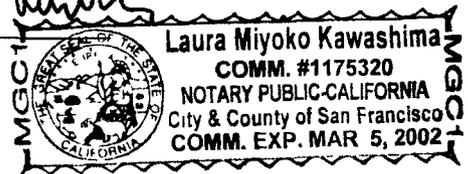
Date: 30 APRIL 1998

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

SS:

On this 29th day of APRIL, 1998, before me personally appeared STEPHEN C. BIGNONTO the personally known, who being by me duly sworn says that such person is RESIDENT of COMPASS RAIL II, that the foregoing Memorandum of Railroad Equipment Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

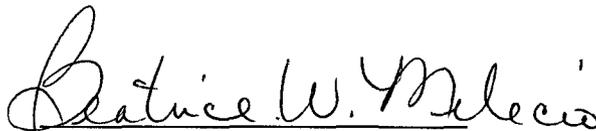

Notary Public



~~STATE OF MAINE~~
~~DISTRICT OF COLUMBIA~~
~~COUNTY OF PENOBSCOT~~)

SS:

This 30th day of April, 1998 before me personally appeared KARL R. ZIEBARTH to me personally known, who being by me duly sworn says that such person is VP & SECY of BANGOR & AROOSTOOK RAILROAD COMPANY, that the foregoing Memorandum of Railroad Equipment Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

MY COMMISSION EXPIRES JUNE 14, 2001

My Commission Expires: _____



Schedule A to MEMORANDUM OF
 AMENDED AND RESTATED
 RAILROAD EQUIPMENT LEASE AGREEMENT

Dated May 1, 1998

Completed Units

<u>Car Type</u>	<u>No. Cars</u>	<u>Prior Car Marks</u>	<u>New Car Marks</u>
Interchange Log Cars - AAR Designation LP/Car Type LO28	25	BAR 1287 1319 1274 1307 1317 1313 1271 1301 1293 1303 1298 1315 1290 1300 1275 1296 1314 1277 1272 1288 1306 1299 1269 1283 1273	BAR 11000 11001 11002 11003 11004 11005 11006 11007 11008 11009 11010 11011 11012 11013 11014 11015 11016 11017 11018 11019 11020 11021 11022 11023 11024
Non-Interchange Log Cars - AAR Designation LP/Car Type LO28	25	1106 1107 1108 1116 1121 1123 1125 1165 1172 1198 1199 1205 1216 1218 1224 1234 1237 1239 1243 1259 1268 1276 1284 1285 1311	12000 12001 12002 12003 12004 12005 12006 12007 12008 12009 12010 12011 12012 12013 12014 12015 12016 12017 12018 12019 12020 12021 12022 12023 12024
Wood Chip Cars - AAR Designation GTS/Car Type E700	8	1124 1147 1179 1238 1282 1297 1305 1310	13003 13009 13017 13034 13051 13055 13056 13058
Total Completed Units	58		

**Schedule B to
MEMORANDUM OF
AMENDED AND RESTATED
RAILROAD EQUIPMENT LEASE AGREEMENT
Dated May 1, 1998**

REMAINING UNITS - PULP RACK FLAT CARS

to be Reconstructed into

WOODCHIP CARS

<u>Car Type</u>	<u>No. Cars</u>	<u>Existing Car Marks</u>	<u>New Car Marks</u>
Pulp Rack Flat Cars- AAR Designation LP/Car Type LO28	52	BAR 1109	BAR 13000
When reconstructed:		1110	13001
Wood Chip Cars - AAR Designation GTS/Car Type E700		1120	13002
		1128	13004
		1130	13005
		1131	13006
		1143	13007
		1144	13008
		1151	13010
		1153	13011
		1158	13012
		1171	13013
		1173	13014
		1176	13015
		1178	13016
		1185	13018
		1188	13019
		1191	13020
		1192	13021
		1193	13022
		1194	13023
		1197	13024
		1201	13025
		1203	13026
		1206	13027
		1207	13028
		1209	13029
		1217	13030
		1226	13031
		1229	13032
		1235	13033
		1240	13035
		1247	13036
		1248	13037
		1249	13038
		1252	13039
		1253	13040
		1255	13041
		1256	13042
		1257	13043
		1261	13044
		1263	13045
		1264	13046
		1266	13047
		1267	13048
		1270	13049
		1281	13050
		1292	13052
		1294	13053
		1295	13054
		1308	13057
		1318	13059