



First Union Rail Corporation
 One O'Hare Center
 6250 River Road, Suite 5000
 Rosemont, IL 60018-4214
 Tel 847 318-7575
 Fax 847 318-7588

VIA UPS NEXT DAY AIR

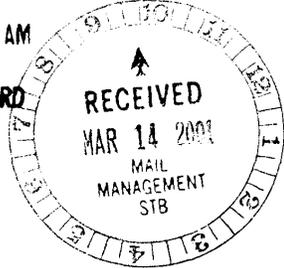
March 13, 2001

RECORDATION NO. 22846-D FILED

MAR 22 '01 10-16 AM

TS

SURFACE TRANSPORTATION BOARD



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 three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated February 5, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 22846.

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

<p>Lessor: First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018</p>	<p>Lessee: Albany and Eastern Railroad Company 875 NE Waverly Drive, Suite A Albany, OR 97321</p>
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A description of the railroad equipment covered by the enclosed document is twenty (20) 73' centerbeam flat cars, with car numbers AERC 2001-2098, non-inclusive.

A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Albany and Eastern Railroad Company, Lessee, covering 20 73' centerbeam flat cars with car numbers AERC 2001-2098, non-inclusive.

Also enclosed is a check in the amount of \$27.00 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 along with the additional copies.

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-Morrison
 Manager of Documentation

Enclosures

(AERC013)

ASSGN. NO.: AERC013

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 5th day of February, 2000, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Albany & Eastern Railroad Company ("Lessee"), an Oregon corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of April 7, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 13 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of December 10, 2000, 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: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing
Executed on this 5th day of February, 2000.

By: K.A. Dombrowski
Name: K.A. DOMBROWSKI
Title: DIRECTOR OF DOCUMENTATION

[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 5th day of February, 2000.

Susan Grokulska
Notary Public

My Commission Expires:
8-14-2004
(Notary Public)



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SURFACE TRANSPORTATION BOARD

LESSEE:

ALBANY & EASTERN RAILROAD COMPANY

ATTEST:

By: Mike Root
Name: Mike Root
Title: President

By: _____
Name: _____
Title: _____

Executed on this 22 day of January 2000.

[CORPORATE SEAL]

STATE OF Oregon
COUNTY OF Linn

I, Tamra L. Boyes, a Notary Public of the County and State aforesaid, certify that Mike Root 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 22nd day of January, 2000.

Tamra L. Boyes
Notary Public

My Commission Expires:
January 3, 2005
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty (20)

DESCRIPTION OF CARS: 73' Centerbeam Flat Cars, 286,000 lb. capacity

CAR NUMBERS: See below:

AERC 2001
AERC 2016
AERC 2020
AERC 2031
AERC 2033
AERC 2042
AERC 2051
AERC 2058
AERC 2060
AERC 2062
AERC 2069
AERC 2076
AERC 2081
AERC 2085
AERC 2086
AERC 2087
AERC 2088
AERC 2091
AERC 2093
AERC 2098
Count: 20

EXHIBIT A

RIDER NO. 13 - CAR NUMBERS

AERC 2001
AERC 2016
AERC 2020
AERC 2031
AERC 2033
AERC 2042
AERC 2051
AERC 2058
AERC 2060
AERC 2062
AERC 2069
AERC 2076
AERC 2081
AERC 2085
AERC 2086
AERC 2087
AERC 2088
AERC 2091
AERC 2093
AERC 2098
Count: 20