



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

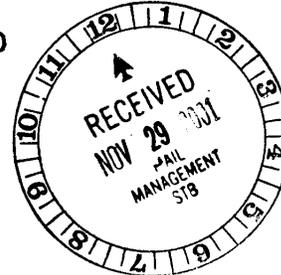
RECORDATION NO. 22846-6 FILED

VIA UPS 2ND DAY AIR

November 27, 2001

NOV 30 '01 8-37 AM

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 November 6, 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 81784 South Main Street Albany, OR 97355</p>
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A description of the railroad equipment covered by the enclosed document is nine (9) Boxcars, 70-ton, Plate C, 55'7", with 10' sliding doors, with car numbers AERC 5050 - 5058, 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 nine (9) Boxcars, 70-ton, Plate C, 55'7", with 10' sliding doors, with car numbers AERC 5050-5058, inclusive.

Also enclosed is a check in the amount of \$28.00 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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Gropulsky

Susan Gropulsky
 Manager - Documents Administration

Enclosures

(AERC016)

ASSGN. NO.: AERC016

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 6th day of November, 2001, 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. 16 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of August 22, 2001 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 6th day of November, 2001

[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 6th day of November, 2001.

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 Roof
Name: Mike Roof
Title: President

By: _____
Name: _____
Title: _____

Executed on this 26 day of October, 2001.

[CORPORATE SEAL]

STATE OF Oregon
COUNTY OF Linn

I, Tamra L. Boyes, a Notary Public of the County and State aforesaid, certify that Mike Roof 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 26 day of October, 2001.

Tamra L. Boyes
Notary Public

My Commission Expires:

January 3, 2005
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

- I. NUMBER OF CARS: Nine (9)
- II. DESCRIPTION OF CARS: Boxcars, 70-Ton, Plate C, 55' 7", with 10' sliding doors
- III. CAR NUMBERS: AERC 5050 - 5058, inclusive