

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847 318-7575
Fax 847 318-7588

RECORDATION NO. 22780-1 FILED

FEB 05 '04 2-50 PM

SURFACE TRANSPORTATION BOARD



VIA UPS 2nd DAY AIR

February 3, 2004

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 of a Memorandum of Lease Agreement, dated January 22, 2004, 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 22780.

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

Lessor:	First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018	Lessee:	Columbia & Cowlitz Railway Company P.O. Box 209 Longview, WA 98632
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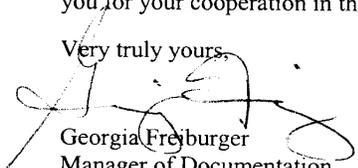
A description of the railroad equipment covered by the enclosed document is twenty-five (25) 73' centerbeam flatcars, with NOKL marks (see Exhibit A for car numbers).

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

Also enclosed is a check in the amount of \$30.00 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 regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freyburger
Manager of Documentation

Enclosures

(CLC018)

FEB 05 '04 2-50 PM

ASSGN. NO.: CLC018

MEMORANDUM OF LEASE SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 22nd day of January, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Columbia & Cowlitz Railway Company ("Lessee"), a Washington corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 10 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 18, 2003 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: [Signature]
Name: K.A. Dombrowski
Title: DIRECTOR OF DOCUMENTATION

By: [Signature]
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 22nd day of January, 2004.

[CORPORATE SEAL]

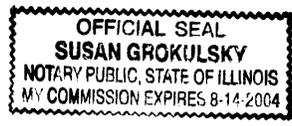
STATE OF ILLINOIS
COUNTY OF COOK

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 22nd day of January, 2004

[Signature]
Notary Public

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



LESSEE:

COLUMBIA & COWLITZ RAILWAY COMPANY

By: Dale W. King

Name: DALE W. KING

Title: VICE PRESIDENT

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Washington

COUNTY OF King

I, Britt K. Pittman, a Notary Public of the County and State aforesaid, certify that Dale W. King 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 19th day of December, 2003.

Britt K. Pittman

Notary Public

Commission Expires:

12-03-05

(Notary Public)



**EXHIBIT A
to
MEMORANDUM OF LEASE**

NUMBER OF CARS: Twenty-five (25)

DESCRIPTION OF CARS: 73' Centerbeam Flatcars

CAR NUMBERS: NOKL 731837 - NOKL 731861, inclusive