

RECORDATION NO. 22721-H F D

SEP 23 '03

3-59 PM

SURFACE TRANSPORTATION BOARD
VIA UPS 2nd DAY AIR



September 19, 2003

FIRST UNION RAIL

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

Tel 847.318.7575
Fax 847.318.7588

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 August 25, 2003, 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 22721.

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: Twin Cities & Western Railroad Company
2925 - 12th Street East
Glencoe, MN 55336

A description of the railroad equipment covered by the enclosed document is sixteen (16) 52' 6" gondola cars, with NOKL marks (See Exhibit A for 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 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 Grokulsky
Manager of Documentation

Enclosures

(TCW021)

RECORDATION NO. 22721-17 FILED

ASSGN. NO.: TCW021

SEP 23 '03

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MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 25th day of August, 2003 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Twin Cities & Western Railroad Company, a Minnesota corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of February 25, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 21 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of August 1, 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: K.A. Jambrowski
Name: K.A. JAMBROWSKI
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 25th day of August, 2003

[CORPORATE SEAL]

STATE OF ILLINOIS

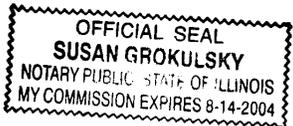
COUNTY OF COOK

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 25th day of August, 2003.

Susan Grokulska
Notary Public

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



LESSEE:

TWIN CITIES & WESTERN
RAILROAD COMPANY

ATTEST:

By: *Lloyd T. Host*
Name: LLOYD T. HOST
Title: VP MARKETING & SALES

By: _____
Name: _____
Title: _____

Executed on this 18 day of August, 2003.

[CORPORATE SEAL]

STATE OF Minnesota
COUNTY OF McLeod

I, Rachel B. Huls, a Notary Public of the County and State
aforesaid, certify that Lloyd T. Host 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 18th day of August, 2003.

Rachel B. Huls
Notary Public

My Commission Expires:

1-31-03
(Notary Public)

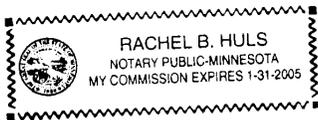


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Sixteen (16)

DESCRIPTION OF CARS: Gondola Cars, 52' 6", 2743 cubic foot capacity with 286 GRL.

CAR NUMBERS:

NOKL 322000
NOKL 322002
NOKL 322005
NOKL 322011
NOKL 322012
NOKL 322014
NOKL 322015
NOKL 322018
NOKL 322019
NOKL 322027
NOKL 322030
NOKL 322032
NOKL 322035
NOKL 322037
NOKL 322042
NOKL 322047