

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. 22846-I FILED

NOV 10 '04 9-40 AM

SURFACE TRANSPORTATION BOARD



VIA UPS 2nd DAY AIR

November 4, 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 October 7, 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 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 & Eastern Railroad Company 1784 S. Main Street Lebanon, OR 97355</p>
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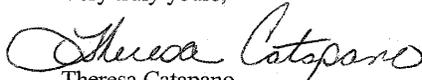
A description of the railroad equipment covered by the enclosed document is thirty (30) 52'8", Plate "C", 70-ton, non-cushioned boxcars, marked AERC (see Exhibit A for car numbers).

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) 384-5375.
Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(AERC025)

RECORDATION NO. 22846-I FILED

ASSGN NO. AERC025

MEMORANDUM OF LEASE NOV 10 '04 9-40 AM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and October day of SURFACE TRANSPORTATION BOARD, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Albany & Eastern Railroad Company ("Lessee").

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of April 7, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 24 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of August 5, 2004 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

By: Theresa Catapano
Name: THERESA CATAPANO

Title: MGR. OF DOCUMENTATION

Executed on this 7th day of October, 2004.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

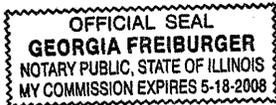
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of October, 2004.

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

ALBANY & EASTERN RAILROAD COMPANY

By: Mike Root

Name: Mike Root

Title: President

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, 2004.

[CORPORATE SEAL]

STATE OF Oregon

COUNTY OF Linn

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/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of September, 2004.

Tamra L. Boyes
Notary Public

Commission Expires:
Jan. 3, 2005
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

- I. NUMBER OF CARS: Thirty (30)
- II. DESCRIPTION OF CARS: 52'8", Plate "C", 70-ton, non-cushioned boxcars, with double 8' plug doors, and 11' inside height, built in 1979 (AAR Car Type Code A306)
- III. CAR NUMBERS:
- | | |
|-----------|-----------|
| AERC 5201 | AERC 5216 |
| AERC 5202 | AERC 5217 |
| AERC 5203 | AERC 5218 |
| AERC 5204 | AERC 5219 |
| AERC 5205 | AERC 5220 |
| AERC 5206 | AERC 5221 |
| AERC 5207 | AERC 5222 |
| AERC 5208 | AERC 5223 |
| AERC 5209 | AERC 5224 |
| AERC 5210 | AERC 5225 |
| AERC 5211 | AERC 5226 |
| AERC 5212 | AERC 5227 |
| AERC 5213 | AERC 5228 |
| AERC 5214 | AERC 5229 |
| AERC 5215 | AERC 5230 |
| | Count: 30 |