

RECORDATION NO. 21386-B FILED

NOV 13 '06

2-14 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 500
Rosemont, IL 60018-4214

VIA UPS 2nd DAY AIR

November 9, 2006

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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated June 23, 2005, 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 21386.

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: Bighorn Divide & Wyoming Railroad Inc.
642 South Federal Blvd.
Riverton, WY 82501

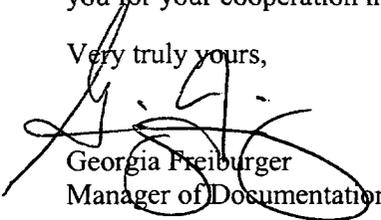
A description of the railroad equipment covered by the enclosed document is eighty-two (82) 4750 cu. ft. covered hopper cars, with BDW marks (see Exhibit A for car numbers).

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

Also enclosed is a check in the amount of \$34.00 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 Freiburger
Manager of Documentation

Enclosures

(BDW006)

ASSGN. NO.: BDW006

NOV 13 '06

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MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD 23rd

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 23rd day of June, 2005, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Bighorn Divide & Wyoming Railroad Inc., ("Lessee"), a Wyoming corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 23, 2005, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of June 8, 2005 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

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

ATTEST:

By: Susan Grotkulska

Name: SUSAN GROKULSKY

Title: MANAGER OF DOCUMENTATION

Executed on this 23rd day of June, 2005.

[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/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 23rd day of June, 2005.

[Signature]
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

BIGHORN DIVIDE & WYOMING RAILROAD INC.

ATTEST:

By: Clifford D Root
Name: CLIFFORD D ROOT
Title: PRESIDENT

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, THERESA CATAPANO, a Notary Public of the County and State aforesaid, certify that CLIFFORD D. 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 20TH day of JUNE, 2005.

Theresa Catapano
Notary Public

Commission Expires:

9-3-08
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

- I. NUMBER OF CARS: Eighty-two (82)
- II. DESCRIPTION OF CARS: 4750 cu. ft. covered hopper cars with vibrator brackets and gravity gates
- III. CAR NUMBERS:

BDW 818627	BDW 833414	BDW 833475
BDW 818687	BDW 833415	BDW 833476
BDW 818908	BDW 833416	BDW 833478
BDW 818926	BDW 833421	BDW 833479
BDW 819013	BDW 833422	BDW 833481
BDW 819035	BDW 833424	BDW 833482
BDW 819181	BDW 833430	BDW 833485
BDW 821722	BDW 833433	BDW 833489
BDW 828602	BDW 833435	BDW 833490
BDW 828718	BDW 833441	BDW 833491
BDW 829024	BDW 833443	BDW 833493
BDW 829511	BDW 833445	BDW 833495
BDW 829604	BDW 833449	BDW 833501
BDW 829637	BDW 833454	BDW 833502
BDW 829689	BDW 833455	BDW 833503
BDW 829710	BDW 833456	BDW 833505
BDW 829723	BDW 833457	BDW 833506
BDW 830907	BDW 833458	BDW 833513
BDW 830970	BDW 833459	BDW 833514
BDW 831220	BDW 833460	BDW 833515
BDW 833401	BDW 833462	BDW 839065
BDW 833405	BDW 833464	BDW 839110
BDW 833406	BDW 833465	BDW 839398
BDW 833408	BDW 833466	BDW 839451
BDW 833409	BDW 833468	BDW 839470
BDW 833410	BDW 833469	BDW 839471
BDW 833412	BDW 833471	
BDW 833413	BDW 833474	