

RECORDATION NO. 22581-KKK FILED

NOV 29 '06

1-09 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 27, 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 October 30, 2006, 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 22581.

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: Cascade and Columbia River Railroad
c/o RailAmerica
5300 Broken Sound Blvd., N.W.
Boca Raton, FL 33489

A description of the railroad equipment covered by the enclosed document is eleven (11) 66 foot gondola cars, 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 \$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) 384-5397. Thank you for your cooperation in this matter.

Very truly yours,

Marcia Dunne
Rail Documentation Specialist

Enclosures

(CSCD123)

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ASSIGN. NO.: CSCD123

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 30th day of October, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, Cascade and Columbia River Railroad Co. ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of June 15, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 116 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of September 1, 2006 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: Susan Grokulsky
Name: SUSAN GROKULSKY
Title: MGR. OF DOCUMENTATION

Executed on this 30th day of October, 2006

[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 30th day of October, 2006

[Signature]
Notary Public

My Commission Expires:
5-2008
(Notary Public)

LESSEE:

CASCADE AND COLUMBIA RIVER
RAILROAD CO.

ATTEST:

By: [Signature]
Name: Tom Owens
Title: SVP Business Development

By: [Signature]
Name: David McCloud
Title: Manager - Fleet

Executed on this 24th day of October, 2006

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF PAUM BEACH

I, KRISTIN DUNLAP, a Notary Public of the County and State aforesaid, certify that THOMAS C. OWEN, JR., 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 24th day of October, 2006

PERSONALLY KNOWN: [Signature]
PRODUCED I.D.: —

[Signature]
Notary Public

My Commission Expires:
12.27.09
(Notary Public)

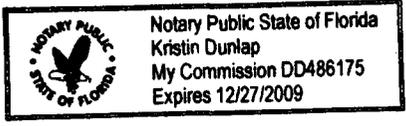


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Eleven (11)

DESCRIPTION OF CARS: 66' gondolas, 286,000 gross rail load, AAR car type E735

CAR NUMBERS:

NOKL	360002
NOKL	360012
NOKL	360018
NOKL	360034
NOKL	360051
NOKL	360069
NOKL	360077
NOKL	360078
NOKL	360082
NOKL	360083
NOKL	360090