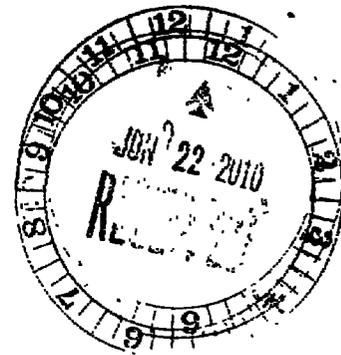


RECORDATION NO. 21386-D FRED

JUN 22 '10 -3 22 PM

SURFACE TRANSPORTATION BOARD



VIA UPS 2nd DAY AIR

June 18, 2010

FIRST UNION RAIL

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

Tel 847.318.7575
Fax 847.318.7588

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, D. C. 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Section Chief:

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 May 26, 2010, 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 Surface Transportation Board under Recordation Number 21386.

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

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Bighorn Divide & Wyoming Railroad Inc.
405 East 1st Street
Shoshoni, WY 82649

A description of the railroad equipment covered by the enclosed document is for twenty (20) 4750 cu. ft. covered hopper cars; having 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 \$41.00 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marcia Dunne', followed by a horizontal line.

Marcia Dunne
Senior Rail Documentation Specialist

Enclosures
(BDW008)

JUN 22 '10 -3 22 PM

ASSGN. NO.: BDW008

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 26th day of May, 2010, 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. 3 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 1, 2010, 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
Title: VICE PRESIDENT SALES & MARKETING

ATTEST:

By: Janice Enolva

Name: Janice Enolva

Title: Manager of Documentation

Executed on this 26th day of May, 2010.

[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 26th day of May, 2010.

Georgia Freiburger
Notary Public

My Commission Expires:

6-2012
(Notary Public)



LESSEE:

BIGHORN DIVIDE & WYOMING RAILROAD INC.

ATTEST:

By: [Signature]

Name: David Nelson

Title: Vice President

By: [Signature]

Name: Janice F. Hunter

Title: CCO

Executed on this 5th day of April, 2010.

[CORPORATE SEAL]

STATE OF Wyoming

COUNTY OF Fremont

I, Janice F. Hunter, a Notary Public of the County and State aforesaid, certify that _____ 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 5th day of April, 2010.

[Signature]
Notary Public

Commission Expires:

10/9/12
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty (20)

DESCRIPTION OF CARS: 4750 cu. ft. covered hopper cars with trough hatches and gravity gates, 263,000 lbs GRL.

CAR NUMBERS:

NOKL	818908
NOKL	829604
NOKL	833401
NOKL	833405
NOKL	833408
NOKL	833412
NOKL	833422
NOKL	833435
NOKL	833443
NOKL	833445
NOKL	833462
NOKL	833466
NOKL	833475
NOKL	833490
NOKL	833491
NOKL	833502
NOKL	833503
NOKL	833506
NOKL	833513
NOKL	833515