

Macquarie Rail Inc.
A Member of the Macquarie Group of Companies

RECORDATION NO. 31442
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SURFACE TRANSPORTATION BOARD

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UNITED STATES

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October 16, 2014

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
Washington, DC 20423-0001



Dear Section Chief:

I have enclosed one (1) copy of a Memorandum of Lease Agreement dated as July 18, 2014, a primary document, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The names and addresses of the parties to the document are as follows:

Lessee: Duke Energy Carolinas, LLC
526 South Church Street
Mail Code EC02F
Charlotte, NC 28202

Lessor: Macquarie Rail Inc.
One North Wacker Drive, 29th Floor
Chicago, IL 60606

A description of the equipment covered by the document follows:

Railcars within the series DKPX 5515 through DKPX 5781 non inclusive, as more particularly set forth in the equipment schedule attached to this document.

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

The filing fee of \$43.00 can be charged to our account. Kindly return stamped copies of the enclosed document to the undersigned.

Sincerely,

/s/

Christine Davis
Operations Administrator

Enclosure

**MEMORANDUM OF LEASE
BETWEEN
MACQUARIE RAIL INC.
("LESSOR")**

AND

**DUKE ENERGY CAROLINAS, LLC
("LESSEE")**

July 18, 2014

THIS MEMORANDUM OF LEASE is dated as of **July 18, 2014** by and between MACQUARIE RAIL INC., a Delaware corporation, ("*Lessor*") and DUKE ENERGY CAROLINAS, LLC, a North Carolina limited liability company ("*Lessee*").

1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor 110 2005 and 2006 FreightCar America built Auto Flood Hoppers, 286,000 lbs. GRL (each, a "*Car*") bearing marks and numbers as follows:

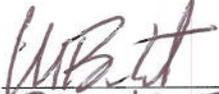
[SEE ATTACHED CAR LIST]

2. The Lease will be effective as of the date of this Memorandum and will be subject to the lease term, as described in the Lease.
3. The Lease provides, among other things that to further secure the obligations of Lessee to Lessor, Lessee grants to Lessor a first priority security interest in Lessee's rights and interest in, to and under the agreement, if any, affecting the Cars for the Lease only, including any maintenance agreement, any agreement relating to use of reporting marks, and any sublease, and the proceeds from any of the foregoing. Such security interest does not extend to any maintenance agreement that covers more than the Cars included in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers as of the date and year first above written.

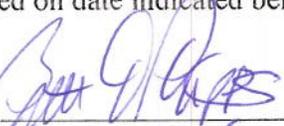
Lessor: MACQUARIE RAIL INC.

I, MARK BRECKI (name of signor), certify that I am the PRESIDENT of Macquarie Rail Inc., that the instrument was signed and sealed on behalf of the corporation by authority of its managers and/or members (as appropriate, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the company. I further declare (certify, verify or state) under penalty of perjury ("under the laws of the United States of America" if executed outside the United States of America) that the foregoing is true and correct. Executed on the date indicated below.

By: 
Title: PRESIDENT
Date: 10-6-2014

Lessee: DUKE ENERGY CAROLINAS, LLC

I, Brett J. Phipps (name of signor), certify that I am the Director - fuel Procurement (title of office) of DUKE ENERGY CAROLINAS, LLC, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare (certify, verify or state) under penalty of perjury ("under the laws of the United States of America" if executed outside the United States of America) that the foregoing is true and correct. Executed on date indicated below.

By: 
Title: Director - Fuel Procurement
Date: 9/22/2014

STATE OF ILLINOIS

COUNTY OF COOK

On this 14th day of October, 2014, before me personally appeared Mark Brecht, to me personally known, who being by me duly sworn, says that he is the President of Macquarie Rail Inc. that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Maria Pesko
NOTARY PUBLIC

My commission expires: 5/16/15

STATE OF NC

COUNTY OF Mecklenburg

On this 22 day of September, 2014, before me personally appeared Brett J. Phipps, to me personally known, who being by me duly sworn, says that he is the officer of DUKE ENERGY CAROLINAS, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Katie Jamieson
NOTARY PUBLIC

My commission expires June 14, 2016

SCHEDULED OF ACCEPTED CARS

Rider No. 2

1	DKPX 5515	31	DKPX 5582	61	DKPX 5659	91	DKPX 5733
2	DKPX 5518	32	DKPX 5583	62	DKPX 5660	92	DKPX 5736
3	DKPX 5524	33	DKPX 5589	63	DKPX 5665	93	DKPX 5737
4	DKPX 5526	34	DKPX 5590	64	DKPX 5667	94	DKPX 5738
5	DKPX 5528	35	DKPX 5591	65	DKPX 5673	95	DKPX 5743
6	DKPX 5530	36	DKPX 5592	66	DKPX 5676	96	DKPX 5746
7	DKPX 5532	37	DKPX 5593	67	DKPX 5677	97	DKPX 5747
8	DKPX 5534	38	DKPX 5595	68	DKPX 5678	98	DKPX 5750
9	DKPX 5535	39	DKPX 5596	69	DKPX 5679	99	DKPX 5752
10	DKPX 5536	40	DKPX 5598	70	DKPX 5680	100	DKPX 5755
11	DKPX 5538	41	DKPX 5603	71	DKPX 5681	101	DKPX 5758
12	DKPX 5541	42	DKPX 5606	72	DKPX 5684	102	DKPX 5766
13	DKPX 5542	43	DKPX 5608	73	DKPX 5685	103	DKPX 5769
14	DKPX 5544	44	DKPX 5609	74	DKPX 5686	104	DKPX 5771
15	DKPX 5545	45	DKPX 5613	75	DKPX 5689	105	DKPX 5772
16	DKPX 5549	46	DKPX 5621	76	DKPX 5691	106	DKPX 5774
17	DKPX 5550	47	DKPX 5622	77	DKPX 5695	107	DKPX 5776
18	DKPX 5554	48	DKPX 5624	78	DKPX 5696	108	DKPX 5777
19	DKPX 5555	49	DKPX 5630	79	DKPX 5699	109	DKPX 5778
20	DKPX 5558	50	DKPX 5632	80	DKPX 5703	110	DKPX 5781
21	DKPX 5560	51	DKPX 5634	81	DKPX 5706		
22	DKPX 5561	52	DKPX 5635	82	DKPX 5713		
23	DKPX 5562	53	DKPX 5639	83	DKPX 5714		
24	DKPX 5563	54	DKPX 5640	84	DKPX 5715		
25	DKPX 5565	55	DKPX 5641	85	DKPX 5716		
26	DKPX 5567	56	DKPX 5643	86	DKPX 5724		
27	DKPX 5569	57	DKPX 5648	87	DKPX 5726		
28	DKPX 5574	58	DKPX 5651	88	DKPX 5728		
29	DKPX 5577	59	DKPX 5656	89	DKPX 5729		
30	DKPX 5579	60	DKPX 5657	90	DKPX 5730		