

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

RECORDATION NO. 31441
FILED OCTOBER 20, 2014 04:15 PM
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 5516 through DKPX 5782 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 BRECHT (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: Mark Brecht
Title: President
Date: 8/8/2014

Lessee: DUKE ENERGY CAROLINAS, LLC

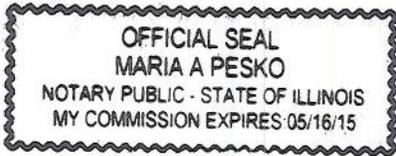
I, Brett J. Phipps (name of signor), certify that I am the Director (title of office) of DUKE ENERGY CAROLINAS, LLC, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its 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: Brett J. Phipps
Title: Director - Fuel Procurement
Date: 8/1/2014

STATE OF ILLINOIS

COUNTY OF COOK

On this 8 day of August, 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.



[Signature]
NOTARY PUBLIC

My commission expires: 5/16/15

STATE OF NC

COUNTY OF mecklenburg

On this 1 day of August, 2014, before me personally appeared Brett J. Phipps, to me personally known, who being by me duly sworn, says that he is the Director 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.



[Signature]
NOTARY PUBLIC

My commission expires 6/17/2017

[Handwritten mark]

SCHEDULE OF CARS

DKPX 5516	DKPX 5610	DKPX 5705
DKPX 5517	DKPX 5611	DKPX 5707
DKPX 5520	DKPX 5616	DKPX 5708
DKPX 5521	DKPX 5617	DKPX 5710
DKPX 5529	DKPX 5619	DKPX 5711
DKPX 5531	DKPX 5620	DKPX 5712
DKPX 5533	DKPX 5623	DKPX 5718
DKPX 5537	DKPX 5627	DKPX 5719
DKPX 5539	DKPX 5628	DKPX 5720
DKPX 5540	DKPX 5629	DKPX 5722
DKPX 5543	DKPX 5633	DKPX 5725
DKPX 5546	DKPX 5637	DKPX 5727
DKPX 5548	DKPX 5638	DKPX 5731
DKPX 5551	DKPX 5642	DKPX 5732
DKPX 5552	DKPX 5644	DKPX 5734
DKPX 5556	DKPX 5646	DKPX 5735
DKPX 5557	DKPX 5649	DKPX 5739
DKPX 5559	DKPX 5653	DKPX 5740
DKPX 5570	DKPX 5654	DKPX 5744
DKPX 5571	DKPX 5662	DKPX 5748
DKPX 5573	DKPX 5666	DKPX 5749
DKPX 5575	DKPX 5668	DKPX 5753
DKPX 5576	DKPX 5669	DKPX 5754
DKPX 5578	DKPX 5670	DKPX 5756
DKPX 5580	DKPX 5671	DKPX 5757
DKPX 5581	DKPX 5672	DKPX 5760
DKPX 5584	DKPX 5674	DKPX 5762
DKPX 5585	DKPX 5683	DKPX 5763
DKPX 5586	DKPX 5690	DKPX 5764
DKPX 5587	DKPX 5693	DKPX 5765
DKPX 5588	DKPX 5694	DKPX 5767
DKPX 5594	DKPX 5697	DKPX 5768
DKPX 5599	DKPX 5698	DKPX 5773
DKPX 5600	DKPX 5700	DKPX 5775
DKPX 5601	DKPX 5701	DKPX 5779
DKPX 5604	DKPX 5702	DKPX 5782
DKPX 5605	DKPX 5704	